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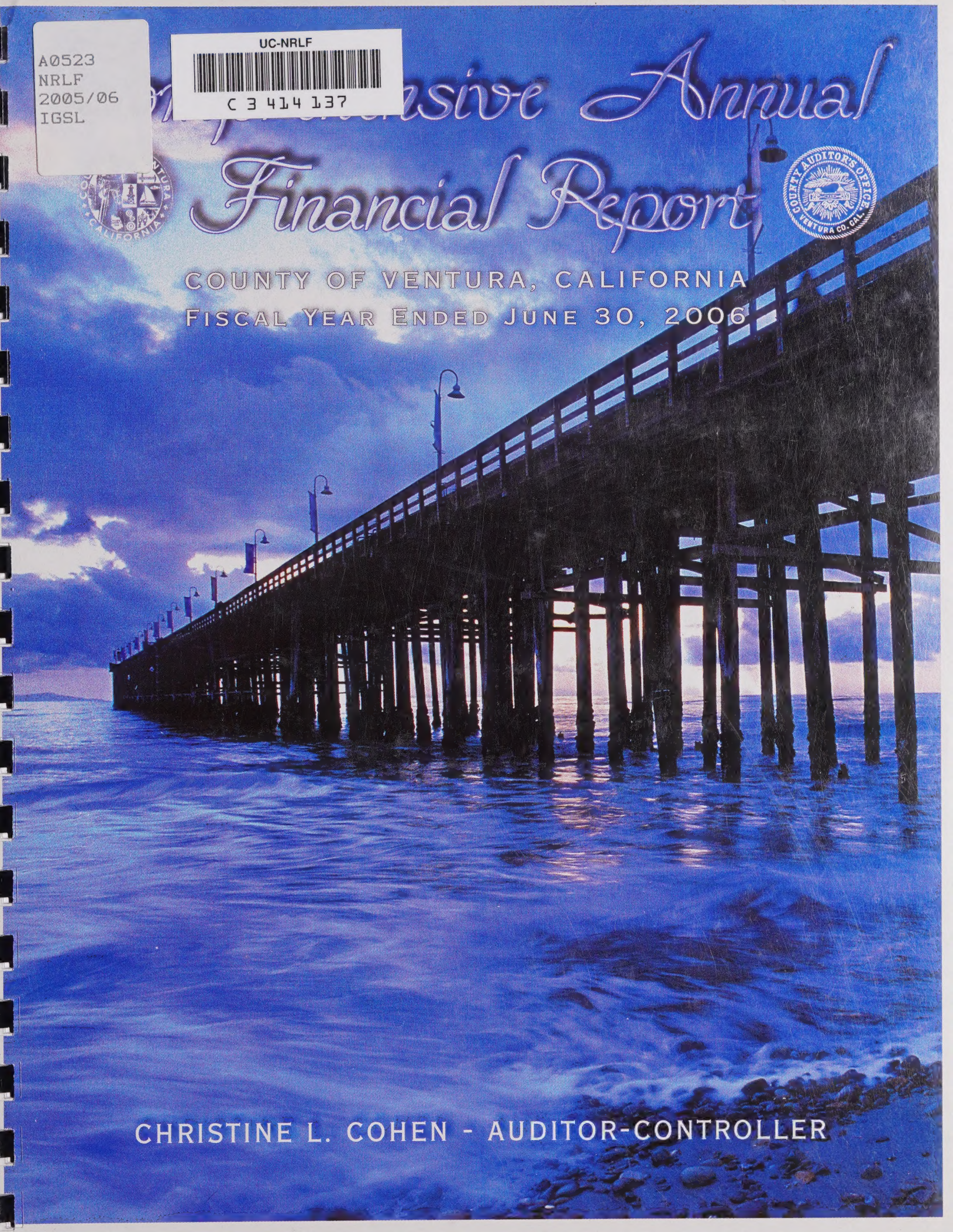
Comprehensive Annual Financial Report

COUNTY OF VENTURA, CALIFORNIA

FISCAL YEAR ENDED JUNE 30, 2006



CHRISTINE L. COHEN - AUDITOR-CONTROLLER

County of Ventura, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2006

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County Auditor-Controller's Office
CHRISTINE L. COHEN, *Auditor-Controller*

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COUNTY OF VENTURA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2006

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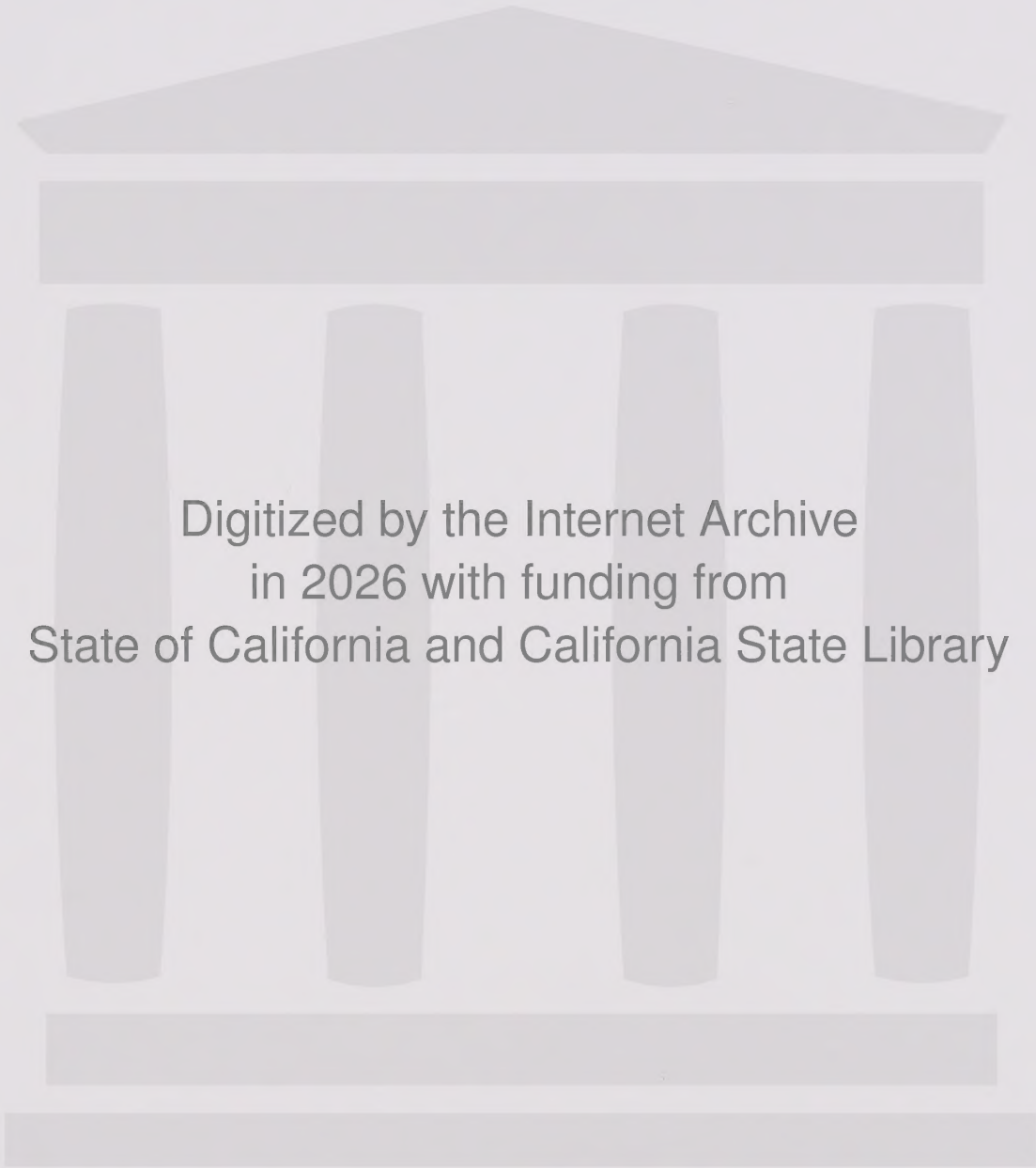
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CHRISTINE L. COHEN
AUDITOR-CONTROLLER
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009-1540

CHIEF DEPUTIES
LOUISE WEBSTER
SANDRA BICKFORD
MERCY GRIECO
BARBARA BEATTY

December 1, 2006

Honorable Board of Supervisors
County of Ventura
County Government Center
800 South Victoria Avenue
Ventura, California 93009

Members of the Board of Supervisors and
Citizens of the County of Ventura:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2006.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Vavrinek, Trine, Day & Co., LLP has issued an unqualified ("clean") opinion on the County's financial statements for the year ended June 30, 2006. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The County of Ventura (County), approved by the State Legislature on March 22, 1872 effective January 1, 1873, was created out of the southeasterly portion of Santa Barbara County and covers an area of 1,873 square miles. It is bordered on the north by Kern County, on the northwest by Santa Barbara County, on the east by Los Angeles County, and on the south and southwest by the Pacific Ocean along 42 miles of coastline. There are ten incorporated cities within its borders: Ventura, Ojai, Oxnard, Port Hueneme, Camarillo, Santa Paula, Fillmore, Thousand Oaks, Moorpark and Simi Valley with a combined population including the unincorporated area of 817,346. The largest employment segments comprising over 80 percent of the total employment distribution include service industries, retail, government, manufacturing, and agriculture and food production. With its mild

climate, geographical diversity including beaches and pristine and rugged wilderness, year-round recreational and cultural opportunities, and a reputation as one of the safest populated areas in the country, the County is a popular tourist destination.

The County is a General Law County with policymaking, budget approval, and legislative authority, vested in a five-member Board of Supervisors. The supervisors are elected on a nonpartisan basis by geographic districts for four-year staggered terms. Two or three supervisors are elected in alternating two year elections. The Board appoints the County Executive Officer who, in turn, appoints the non-elected department heads that are not otherwise appointed by law. The County's elected department heads are the Assessor, Auditor-Controller, Clerk and Recorder, District Attorney, Sheriff, and Treasurer-Tax Collector/Public Guardian/Public Administrator. An organization chart and a listing of elected and appointed department heads are provided in the introductory section of this report.

With 7,191 full-time employees in June 2006, the County provides a full range of services, including general government (administration, central services, elections, and plant acquisition), public protection, (law enforcement, fire protection, watershed protection, County portion of judicial, and detention), public ways and facilities (construction and maintenance of roads), health and sanitation (public, behavioral, and environmental health), public assistance, and education (libraries). In addition, enterprise funds account for the operations of the Medical Center, Health Care Plan, two airports, Channel Islands Harbor and Harbor Expansion, Waterworks Districts (sanitation and water services), and Parks (recreational activities). The financial reporting entity includes all funds of the primary government (County of Ventura as legally defined), as well as all of its legally separate component units. The component units are reported as blended when they are in substance part of the primary government or discretely presented in a separate column on the government-wide financial statements to emphasize that they are legally separate from the primary government. Note 1 of the Notes to the Basic Financial Statements provides more information on the reporting entity.

As required by state law, the County adopts a final budget no later than August 20 each year, generally in June. This annual budget serves as the foundation for the County's financial planning and control. Budgets are adopted for governmental and proprietary funds. The legal level of budgetary control is maintained at the department/budget unit and object level of expenditures, except capital assets which are controlled at the sub-object level. Appropriation transfers between departments must be approved by the Board. Supplemental appropriations normally financed by unanticipated revenues during the year must also be approved by the Board. The Board has delegated authority to the County Executive Officer to approve appropriation transfers between object levels within the same department.

Unencumbered and unexpended appropriations lapse at the end of each fiscal year and become available to finance the next year's budget. Encumbered appropriations are re-appropriated in the next year's budget. Encumbrances outstanding at year-end are recorded as reservations of fund balance in the governmental funds.

Local Economy

Historically, Ventura County has been closely allied with the economy of Southern California, and, for the calendar year 2006, was growing at a moderate rate. The County's traditional economic strength in agriculture, food processing, and mineral production is supplemented by the prominence of the service industry, small manufacturing businesses, the electronics industry, tourism, the biotechnology giant, Amgen, and the military presence of the Naval Base Ventura County at Port Hueneme and Point Mugu.

- **Commercial and Agricultural Activity**

  Positive signs of growth in 2005-06 and in future years include an increase in retail sales of 6.2 percent. The Simi Valley Town Center, The Lakes, and Centennial Plaza in Simi Valley, Thousand Oaks, and Oxnard, respectively, are up and running. Seabridge Marketplace in Oxnard, with 87,000 square feet, is scheduled for completion in 2006. Planned construction in 2006, including the Village at the Park in Camarillo and a regional outdoor mall in Oxnard's Riverpark development, will add 227,000 and 720,000 square feet, respectively.

  The Port of Hueneme exceeded prior year activity in the number of vehicles, bananas, and fresh fruit deliveries, and total cargo tonnage increased by 5.3 percent in 2005-06 from the prior year. The port is estimated to generate about 4,000 jobs with an annual impact on the local economy of about $500 million.

  The region's crop totals exceeded $1.225 billion in 2005, with strawberries in the lead with $328.6 million. The drop of 12 percent from the 2004 levels was caused by torrential winter rains that flooded fields and spawned crop-rotting diseases.

- **Academic Activity**

  California State University, Channel Islands, reported a 20 percent increase in enrollment during the fall 2006 term, compared to the prior year. New undergraduate degree programs in political science and the performing arts have been planned for fall of 2006. The appointment of 14 new tenure track faculty members will augment existing faculty in providing for these new programs and anticipated continued enrollment growth.

  Increased student enrollment at all three Ventura County Community College campuses for fall of 2006 reversed a trend of decline since 2002.

- **Income and Unemployment**

  According to the UCSB report for Ventura County, median family income for 2006 was projected at $80,500, an increase of 4.0 percent over the prior year.

  The county's unemployment rate in June 2006 of 4.4 percent was down from 4.7 percent in the prior year and compares favorably with California and the nation at 4.9 percent and 4.8 percent, respectively. Information about the county's principal employers and workforce sizes is provided in the statistical section of this report.

- **Real Estate**

  The real estate market appears to be showing signs of cooling off with more modest increases in the median sales price in June 2006, compared to June 2005. The composite median sales price for new and existing homes and condominiums of $620,000 in June 2006 reflects a gain of 6.0 percent, compared to the gain of 16.8 percent in June 2005. The median sales price in California and the nation in June 2006 were $576,000 and $232,000, respectively.

  Housing affordability for the second quarter of 2006 was 23 percent, an improvement from 13 percent in June 2005. Despite this improvement, availability of affordable housing continues to be a critical economic factor which may impact future job growth. Some mitigating factors are the desirability of living in Ventura County due to its strong public safety presence, quality of life, climate, relatively clean air, and proximity to the Los Angeles metropolitan area.

Major Initiatives

- The Help America Vote Act, passed in October 2002, required the replacement of punch card and lever voting machines, the creation of centralized statewide databases of registered voters, the improvement of the administration of elections, and the implementation of the new system by January 2006. Using a combination of federal and state funds, the County implemented a new voting system within the mandated timeframe that was successfully used in the November 2006 elections.

- In November 2005, the County's work plan under the Mental Health Services Act (MHSA) was submitted to the State Department of Mental Health. MHSA, passed by California voters in November 2004 as Proposition 63, provides funding to expand mental health care programs for children and adults through a surcharge on taxable personal income exceeding $1 million per year. The work plan was approved by the State on July 31, 2006. The 2006-07 allocation, one-time funds, Medi-Cal and Early Periodic Screening, Diagnostic, and Treatment funds total over $7 million.

- The Ventura County Department of Child Support Services completed its transition into the federally mandated California Child Support Statewide Automation System, which began in February 2006. Intended to enhance services to children and families, the State Disbursement Unit, the statewide system's central payment processing site, processes the collection and disbursement of payments for all child support orders enforced by local child support agencies in the state, plus all private child support orders where direct wage witholding is the method of payment. This implementation provides relief to the state and counties from federal penalties.

- The Human Services Agency implemented the CalWORKs Information Network (CalWIN) in April 2006. CalWIN, a state mandated information system to automate welfare eligibility for CalWORKs and various other social services programs, is expected to increase productivity and improve public service by providing more accurately calculated benefits and reducing the number of forms required to be completed by clients.

- Governmental Accounting Standards Board (GASB) Statement Nos. 43 and 45 prescribe accounting and financial reporting for other post employment benefits (OPEB) for plans and employers, with implementation by plans and employers required in fiscal years 2006-07 and 2007-08, respectively, for phase 1 governments (those with total annual revenues of $100 million or more). As a phase 1 government, the County has taken several steps to prepare for implementation. An actuarial valuation study was performed as of July 1, 2005 which provided a preliminary estimate of liabilities. An update of the valuation is anticipated prior to the required implementation dates. The County has also established a designation of $3 million in the General Fund and limited exposure by closing one of the benefits to incoming employees. It should be noted that funding the plan is not required by current GASB pronouncements.

- In August 1997, the Los Angeles Regional Water Quality Control Board adopted a resolution which prohibits discharges from septic systems into the Oxnard Forebay effective after January 1, 2008. To assist the residents of El Rio to comply with the requirement, the Board of Supervisors authorized the Public Works Agency (PWA) to seek federal, state, and local grant funding for planning, design, and construction of a sewer system in the unincorporated area of El Rio. At present, grant funds in excess of $10 million have been awarded. With the Board's direction, PWA is continuing to identify other funding sources including a State Revolving Fund loan, a State Consolidated grant, and a Proposition 50 grant. Construction and other ancillary costs not funded by grants and matching funds provided by the Watershed Protection District are expected to be recovered from sewer users. Sewer service charges are also collected from the sewer customers for operation and maintenance expenses.

- In February 2005, the Board of Supervisors approved a ground lease between the County and Castle & Cooke Community Housing, Inc., to facilitate the construction of housing for mentally ill clients on Lewis Road in Camarillo. Castle & Cooke completed the project at its expense and donated the improvements to the County in September 2005. The new 22,300 square foot facility provides housing for up to 45 mentally ill clients, a community building, and landscaping. Located adjacent to the existing County-owned Las Posadas, a 30-bed facility, both facilities are managed as one program to enhance cost efficiencies and are collectively known as Casa de Esperanza.

Long-term Planning

- General Fund reserves and designations in the 2006-07 adopted budget totaled $98.6 million, an increase of $26 million over the prior year adopted budget. The growth in reserves and designations reflects the County's commitment to live within its means (ongoing expenditures are funded by ongoing revenues); secure and retain a favorable rating from financial institutions thereby reducing borrowing costs; prepare the County for capital projects and other needs; and provide a buffer against significant unforeseen expenditures and fluctuations in revenue.

- The 2006-07 Five-Year Capital Improvement Plan (Plan) was updated through a process involving the review by all County departments of capital and major equipment needs and includes nine new General Fund projects requests. Requests are submitted to the Capital Planning Committee for review and prioritization as noted below. Projects are prioritized by a ranking system that uses various criteria such as life and safety concerns, compliance with legal or regulatory requirements, and preservation of existing assets. Among the numerous projects included in the Plan are the expansion of the Todd Road Jail to relieve overcrowding, an office building at the Juvenile Justice complex to be used for County functions related to the juvenile courts, a property tax system upgrade or replacement of old systems that are not integrated among the Auditor-Controller, Tax Collector, and Assessor, and an upgrade of the Ventura County Financial Management System to a version that uses current technology and would expand functionality. Subject to available financing, recommendations may be made on the proposed projects following evaluation of the results of studies. The Plan is available at:
http://ceo.countyofventura.org/publications/06-07_capitalImprovementPlan.pdf

Relevant Financial Policies

- The Board of Supervisors approved a Capital Planning Policy and Five-Year Capital Improvement Plan which includes evaluation of plans for acquisition, maintenance, replacement, and retirement of capital assets and serves as the basis for long-range planning to meet the County's capital asset needs. A Capital Planning Committee comprised of the County Executive Officer, Auditor-Controller, General Services Agency Director, and Public Works Agency Director, is responsible for evaluating capital planning matters and providing recommendations to the Board of Supervisors regarding the prioritization of capital projects, major equipment purchases, long-term lease administration, lease versus purchase options, and other capital planning and expenditure issues.

- The Financial Planning Committee of the County, comprised of the Chair and Vice Chair of the Board of Supervisors, Auditor-Controller, County Treasurer, County Executive Officer, and County Counsel, reviews all financial planning matters. The Committee provides recommendations to the Board regarding levels of debt service, debt balances, financing of planned capital asset acquisitions, and any proposal utilizing public finance methods.

- The Information Technology Committee is responsible for planning and reviewing project proposals to ensure consistency with the goals, guidelines and policies of the County's technology strategy, compatibility with other systems and infrastructure, and conformance with other County priorities.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2005. This was the twenty-second consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the staff of the Auditor-Controller's Office. I wish to express my appreciation to the members of the Auditor-Controller's Office and our independent auditors, Vavrinek, Trine, Day & Co., LLP, who assisted in and contributed to the preparation of this report. I also thank the Board of Supervisors and the County Executive Office for their interest and support in planning and conducting the financial operations of the County in a responsive and effective manner.

Respectfully submitted,

CHRISTINE L. COHEN
Auditor-Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Ventura
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

COUNTY OF VENTURA
LISTING OF PRINCIPAL OFFICIALS
JUNE 30, 2006

ELECTED OFFICIALS

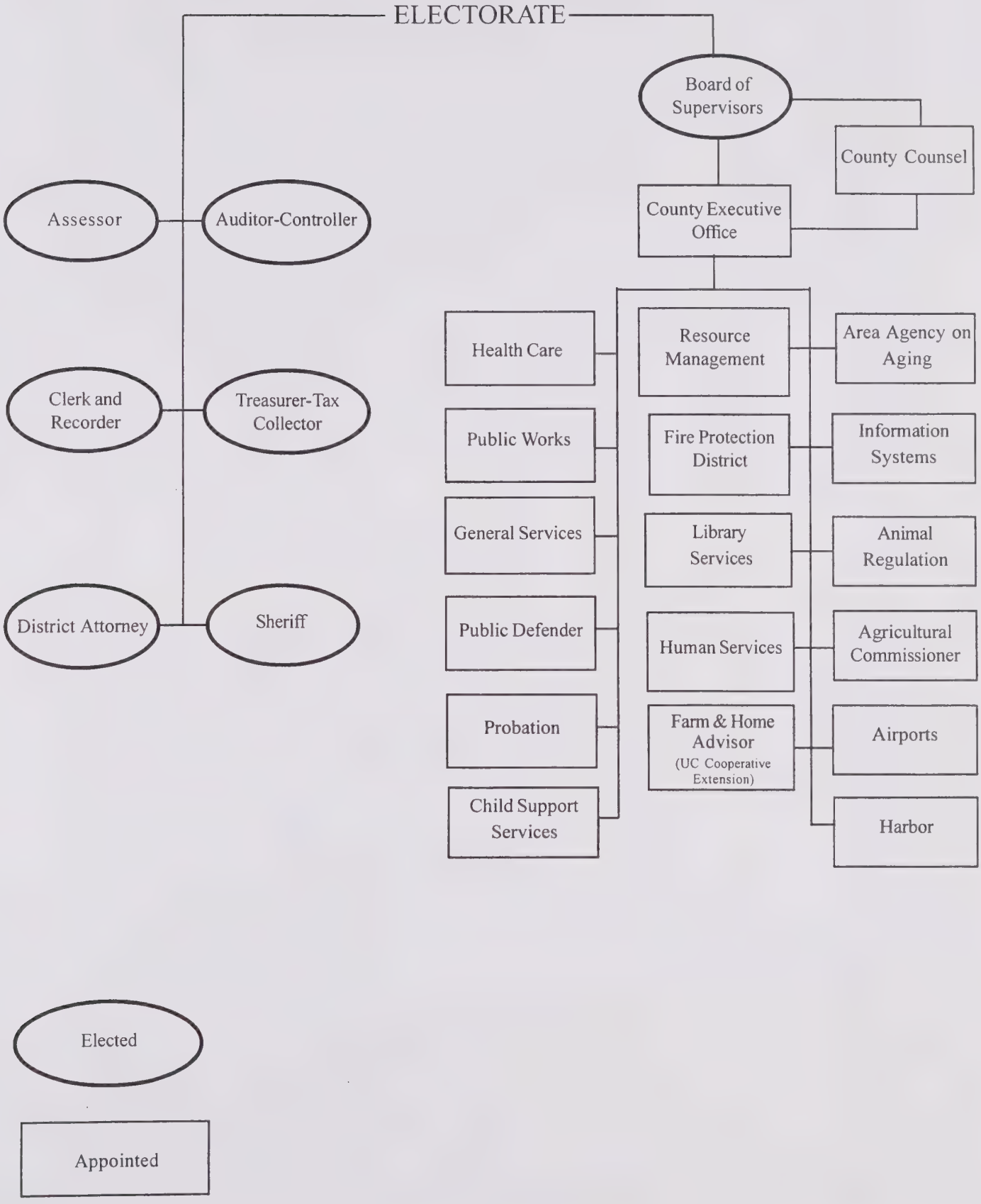
Board of Supervisors	
District #1	Steve Bennett
District #2	Linda Parks
District #3	Kathy I. Long
District #4	Judy Mikels
District #5	John K. Flynn
Other Elected Officials	
Assessor	Dan Goodwin
Auditor-Controller	Christine L. Cohen
Clerk and Recorder	Philip J. Schmit
District Attorney	Gregory D. Totten
Sheriff	Bob Brooks
Treasurer-Tax Collector/Public Guardian/Public Administrator	Lawrence Matheney

APPOINTED OFFICIALS

Agricultural Commission	W. Earl McPhail
Animal Regulation Department	Kathy Jenks
Area Agency on Aging	Victoria Jump
County Counsel	Noel A. Klebaum
County Executive Office	John F. Johnston
Department of Airports	Todd L. McNamee
Department of Child Support Services	C. Stanley Trom
Farm Advisor	Lawrence K. Yee
Fire Protection District	Bob Roper
General Services Agency	Paul S. Grossgold
Harbor Department	Lyn Krieger
Health Care Agency	Michael Powers
Human Services Agency	Ted Myers
Information Systems Department	J. Matthew Carroll
Library Services Agency	Alan Langville*
Probation Agency	Calvin C. Remington
Public Defender	Kenneth I. Clayman
Public Works Agency	Ronald C. Coons
Resource Management Agency	Marty Robinson

* Interim at June 30, 2006

COUNTY OF VENTURA
ORGANIZATION CHART



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FINANCIAL SECTION

COUNTY AUDITOR'S OFFICE
VENTURA CO. CAL.

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
County of Ventura, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Ventura, California (the County), as of and for the fiscal year ended June 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Ventura County Public Facilities Corporation, the Ventura County Public Financing Authority, and the Children and Families First Commission of Ventura County, which collectively represent the following percentages of assets, net assets/fund balances and revenues/additions as of and for the fiscal year ended June 30, 2006:

Opinion Unit	Assets	Net Assets/ Fund Balances	Revenues/Additions
Governmental Activities	1.0%	1.0%	1.0%
Aggregate Remaining Fund Information	1.0%	1.0%	0%
Discretely Presented Component Unit	100%	100%	100%

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, schedules of funding progress and employer contributions and budgetary comparison information on pages 17 through 34 and 97 through 105, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we and the other auditors did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual non-major fund statements and schedules, capital assets schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund statements and schedules and the capital asset schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we and the other auditors express no opinion on them.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 1, 2006

Management's Discussion and Analysis (Unaudited)

COUNTY AUDITOR'S OFFICE
VENTURA CO. CAL.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

This section of the County of Ventura's (County) Comprehensive Annual Financial Report (CAFR) presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2006. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The government-wide assets of the County (governmental and business-type) exceeded liabilities at the close of the 2005-2006 fiscal year by $1,433,756,000 (*net assets).* Of this amount, $331,537,000 *(unrestricted net assets)* may be used to meet ongoing obligations to citizens and creditors, $74,139,000 is restricted for specific purposes (*restricted net assets)*, and $1,028,080,000 is *invested in capital assets, net of related debt.*

- The government's total net assets increased by $88,295,000 during fiscal year 2005-06, primarily from governmental activities. Net assets invested in capital assets, net of related debt, increased by $55,044,000. The increase represents capital acquisitions net of depreciation plus retirement of related long-term debt. Restricted assets increased by $9,779,000 primarily due to unexpended revenues subject to external restrictions. Unrestricted net assets increased by $23,472,000 principally due to unexpended increases in property and other taxes in the General Fund.

- As of June 30, 2006, the County governmental funds reported combined fund balances of $354,375,000, an increase of $3,419,000 in comparison with the prior year. Approximately 65 percent of the combined fund balances may be available to meet the County's current and future needs (*unreserved fund balance).* An analysis is required to determine the revenue status and availability of each fund.

- At the end of the fiscal year, unreserved fund balance for the general fund was $105,316,000 or 15 percent of total general fund expenditures, reflecting a decrease from the prior fiscal year of $8,689,000 principally due to the reservation of fund balance for increases in encumbrances and advances to other funds.

- The County's total long-term liabilities decreased by $25,636,000 in comparison with the prior year primarily due to the maturity of pension obligation bonds, tax-exempt commercial paper and certificates of participation offset by increases in claims and compensated absence liabilities and new debt issuance.

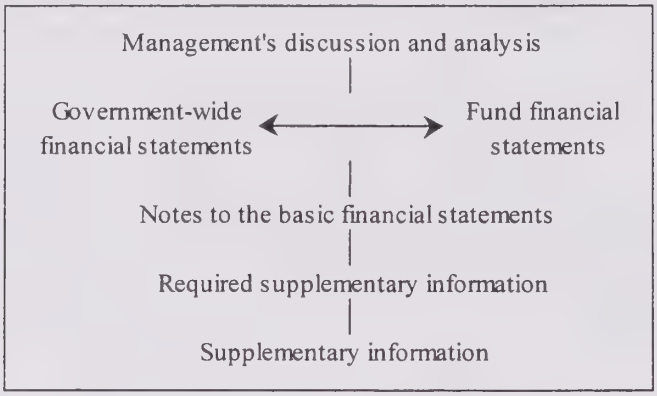
OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components:

1) Government-wide financial statements
2) Fund financial statements
3) Notes to the basic financial statements.

Required supplementary information, supplementary information, and statistical information are also included in the CAFR.

The following diagram displays the interrelationships of this report.



Government-wide Financial Statements The financial statements created by Governmental Accounting Standards Board Statement No. 34 (GASB 34) and its related Statements, GASB 37 and 38 and Interpretation No. 6, are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business. The *statement of net assets* and *statement of activities* use the flow of economic resources measurement focus and accrual basis of accounting. The focus and basis emphasize the *long-term* view of the County's finances.

The *statement of net assets* presents information on all County assets and liabilities, with the differences between the two reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements continue to include the following concepts:

- The government-wide statements include only those funds/entities representing resources available to the County. Therefore, the financial information for the trust fund for Supplemental Retirement Plan (SRP) and the external investment trust are not included in the government-wide financial statements. The financial statements for the discretely presented component unit, Children and Families First Commission (Commission), are provided in a separate column.

- The statement of activities distinguishes functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a portion of their costs through user fees and charges (*business-type activities).*

- In addition, the statement of activities compares the direct expenses and program revenue for each governmental function and each segment of business-type activities. The general revenue (non-program revenue) must then cover the net cost of the various activities. The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, and education. The business-type activities of the County include the hospital, utilities, recreation, airports, and medical insurance.

- Because the internal service funds primarily serve the governmental funds, the internal service funds' activity is eliminated with net balances also reported in the governmental activities column. Additional elimination of transfers and activity occur within the governmental activities and within the business-type activities.

- Component units are included in the basic financial statements and consist of legally separate entities for which the County is financially accountable. *Blended component units* have substantially the same governing board as the County or provide services entirely to the County and are reported on the fund statements and, if appropriate, as governmental activities on the government-wide financial statements. Examples include the Fire Protection District and the County's Watershed Protection Districts (flood control). The Commission is reported as a *discretely presented component unit* because the County Board appoints the commission board members to serve at will.

The government-wide financial statements can be found on pages 35-37 of this report.

Fund Financial Statements report on groupings of related funds and accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. A fund is a separate accounting classification with a self-balancing set of accounts. The County, like other state and local governments, uses fund accounting to demonstrate finance-related legal compliance.

There are several new treatments on the fund financial statements since implementation of GASB 34-emphasis on major funds, inclusion of all County agency funds within the applicable funds, and elimination of intra-fund activity.

- The fund financial statements emphasize *major funds* as determined by minimum criteria set forth in GASB Statement No. 34 with separate columns for each major fund. The non-major funds are presented in an aggregated single column on the governmental funds financial statements. There are four major governmental funds: the General Fund, Roads, Watershed Protection Districts, and the Fire Protection District. There are three major enterprise funds: Medical Center, Department of Airports and Waterworks Districts. Individual fund data for each of the non-major funds is provided in the form of *combining statements* elsewhere in this report.

- The GASB 34 fund financial statements include all balances of County funds held in agency funds with cash and other accounts recorded within the related fund. The remaining agency funds included in the fund financial statements contain amounts due to others outside of the government, such as property taxes to be distributed.

A summary of net assets is as follows:

Summary of Net Assets
June 30, 2006 and 2005
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Percent
	2006	2005	2006	2005	2006	2005	Change
Assets:							
Current and other assets	$ 799,927	$ 768,932	$ 90,378	$ 102,155	$ 890,305	$ 871,087	2%
Capital assets	952,113	923,145	186,583	172,221	1,138,696	1,095,366	4%
Total assets	$ 1,752,040	$ 1,692,077	$ 276,961	$ 274,376	$ 2,029,001	$ 1,966,453	3%
Liabilities:							
Current and other liabilities	$ 265,618	$ 267,658	$ 28,058	$ 26,129	$ 293,676	$ 293,787	(0)%
Long-term liabilities	257,601	281,039	43,968	46,166	301,569	327,205	(8)%
Total liabilities	523,219	548,697	72,026	72,295	595,245	620,992	(4)%
Net assets:							
Invested in capital assets, net of related debt	869,229	830,898	158,851	142,138	1,028,080	973,036	6%
Restricted net assets	67,910	57,983	6,229	6,377	74,139	64,360	15%
Unrestricted net assets	291,682	254,499	39,855	53,566	331,537	308,065	8%
Total net assets	1,228,821	1,143,380	204,935	202,081	1,433,756	1,345,461	7%
Total liabilities and net assets	$ 1,752,040	$ 1,692,077	$ 276,961	$ 274,376	$ 2,029,001	$ 1,966,453	3%

Net assets include three components: *Invested in capital assets, net of related debt, restricted net assets, and unrestricted net assets.*

A significant component of the County's net assets totaling $1,028,080,000 (72 percent) reflects the County's investment in capital assets net of accumulated depreciation (land, structures, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another component of the County's net assets, restricted net assets of $74,139,000 (5 percent) represents resources that are subject to external restrictions on how they may be used. Trust agreements relating to long-term debt restrict certain amounts for debt service. In addition, externally restricted funding received in advance of expenses are also reported as restricted net assets. Therefore, these net assets are not available for other uses by the County.

The third portion of the County's net assets represents unrestricted net assets of $331,537,000 (23 percent) which may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County reported positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental and business-type activities.

The County's net assets increased by $88,295,000. Net assets for governmental and business-type activities increased by $85,441,000 and $2,854,000, respectively. General revenues for governmental activities rose by $52,265,000, primarily from property and other taxes and investment earnings resulting from growth in assessed values of property and a combination of higher average cash balances and interest rates. Program revenues increased by $27,274,000 or 5 percent from operating and capital grants and contributions offset by a decrease in charges for services. Program expenses increased by $36,313,000 or 4 percent largely in public protection, public assistance, and health and sanitation services, offset by decreases in general government and public ways and facilities.

The increase in net assets attributable to business-type activities resulted principally from net subsidies from the General Fund to the Medical Center, Parks and Channel Islands Harbor funds. Program revenues remained relatively flat, with an overall increase of $623,000 primarily in charges for services in the Health Care Plan, Channel Islands Harbor , Channel Islands Harbor Expansion, and Parks funds, offset by decreases in the Medical Center, Airports, and Waterworks funds. Program expenses increased by $26,727,000 or 12 percent for all activities, except the Channel Islands Harbor and the sewer activities of the Waterworks Districts, with the Medical Center accounting for 85 percent of the increase. Additional information is provided on pages 30-31 of this report.

Government-wide Summary of Activities

The following table depicts the revenue, expenses, and changes in net assets for governmental and business-type activities. Among the major changes in revenue for the County as a whole were increases in operating grants and contributions, taxes, and investment earnings. Operating grants and contributions showed an increase of $30,382,000 or 8 percent when compared to the prior year. Property and other taxes grew at a rate of about 14 percent from 2004-05, totaling $345,897,000 in 2005-06 primarily due to the continued rise in assessed valuations of property. Investment earnings increased by $5,586,000, resulting from a combination of higher average cash balances and increased rates of return. Additional information on major revenue streams is provided on pages 25-27.

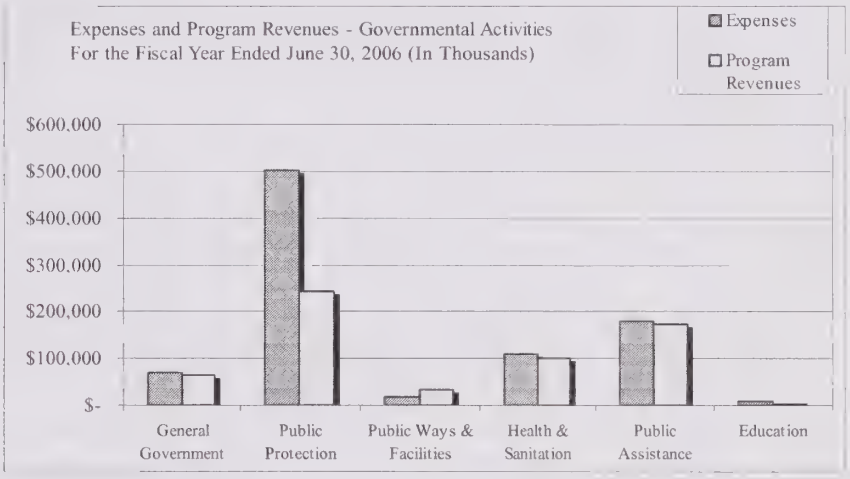
Summary of Activities
For the Fiscal Year Ended June 30, 2006 and 2005
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Total Percent
	2006	2005	2006	2005	2006	2005	Change
Revenues:							
Program revenues:							
Charges for services	$ 193,929	$ 204,355	$208,975	$206,973	$ 402,904	$ 411,328	(2)%
Operating grants and contributions	400,775	370,186	-	207	400,775	370,393	8%
Capital grants and contributions	22,308	15,197	5,892	7,064	28,200	22,261	27%
General revenues:							
Property taxes	326,673	286,957	-	-	326,673	286,957	14%
Other taxes	19,224	17,473	-	-	19,224	17,473	10%
Aid from other governmental units	19,411	13,851	-	-	19,411	13,851	40%
Interest and investment earnings	17,116	12,067	2,014	1,477	19,130	13,544	41%
Other	19,817	19,628	907	984	20,724	20,612	1%
Total revenues	1,019,253	939,714	217,788	216,705	1,237,041	1,156,419	7%
Expenses:							
General government	70,314	78,217	-	-	70,314	78,217	(10)%
Public protection	501,188	472,094	-	-	501,188	472,094	6%
Public ways and facilities	19,595	25,657	-	-	19,595	25,657	(24)%
Health and sanitation services	109,759	101,478	-	-	109,759	101,478	8%
Public assistance	180,310	167,978	-	-	180,310	167,978	7%
Education	9,812	9,551	-	-	9,812	9,551	3%
Interest on long-term debt	12,336	12,026	-	-	12,336	12,026	3%
Medical Center	-	-	183,293	160,443	183,293	160,443	14%
Department of Airports	-	-	6,027	5,801	6,027	5,801	4%
Waterworks - Water and Sewer	-	-	17,218	17,082	17,218	17,082	1%
Parks Department	-	-	5,484	4,662	5,484	4,662	18%
Channel Islands Harbor Expansion	-	-	2,855	1,327	2,855	1,327	115%
Channel Islands Harbor	-	-	9,265	11,629	9,265	11,629	(20)%
Health Care Plan	-	-	21,178	17,680	21,178	17,680	20%
Oak View District	-	-	112	81	112	81	38%
Total expenses	903,314	867,001	245,432	218,705	1,148,746	1,085,706	6%
Excess (deficiency) before transfers	115,939	72,713	(27,644)	(2,000)	88,295	70,713	25%
Transfers	(30,498)	(14,428)	30,498	14,428	-	-	0%
Change in net assets	85,441	58,285	2,854	12,428	88,295	70,713	25%
Net assets - July 1, 2005	1,143,380	1,085,095	202,081	189,653	1,345,461	1,274,748	6%
Net assets - June 30, 2006	$1,228,821	$1,143,380	$204,935	$202,081	$1,433,756	$1,345,461	7%

For comparability, 2004-05 charges for services and expenses for general government, a governmental activity, were adjusted for a subsequently identified overstatement having no net impact on change in net assets.

Governmental activities. Governmental activities as reflected in the Statement of Activities increased the County's net assets by $85,441,000, thereby accounting for 97 percent of the total growth in the County's net assets. The statement of activities displays the direct expenses and the program revenues for the governmental and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include: 1) charges paid by the recipients of goods or services offered by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including almost all taxes, are presented as general revenues. Sales tax and vehicle license fee monies for health and welfare realignment and public safety are defined as program revenue.

The bar chart below depicts the relationships of the direct expenses to program revenues:



Revenues. Total revenues from governmental activities increased by 8 percent from the prior year.

- Operating grants and contributions are revenues earned from entities outside of the County, primarily state and federal agencies, and are generally restricted to one or more specific programs. In 2005-06, the County reported $400,775,000 in operating grants and contributions, representing the largest revenue source for governmental activities. Public assistance, public protection, and health and sanitation services received 89 percent of this funding source in fiscal year 2005-06. Operating grants and contributions provided 65 percent of total program revenues in the current year and rose by 8 percent from the prior year in all functions except public protection and education. Among the sources resulting in the growth were realignment revenue, state and federal funding for the mandated new voting system, Traffic Congestion Relief Funds, suspended by the state in the previous two years, funding relating to CalWIN, a state mandated automated welfare system, and additional federal funding for a variety of public assistance programs.

- Charges for services are revenues earned from providing goods, services, or privileges to external customers. Fines and forfeitures and licenses and permits are also reported as charges for services. Public protection generated $118,506,000, or 61 percent, of the total of $193,929,000. Among the major sources are contracted law enforcement services provided by the Sheriff's Department to several cities, emergency and contract services performed by the Fire Protection District for various governmental agencies, and various assessments generated by the Watershed Protection Districts. Charges for services provided 31 percent of total program revenues in 2005-06, and declined over the adjusted prior year by 5 percent. Revenue increases

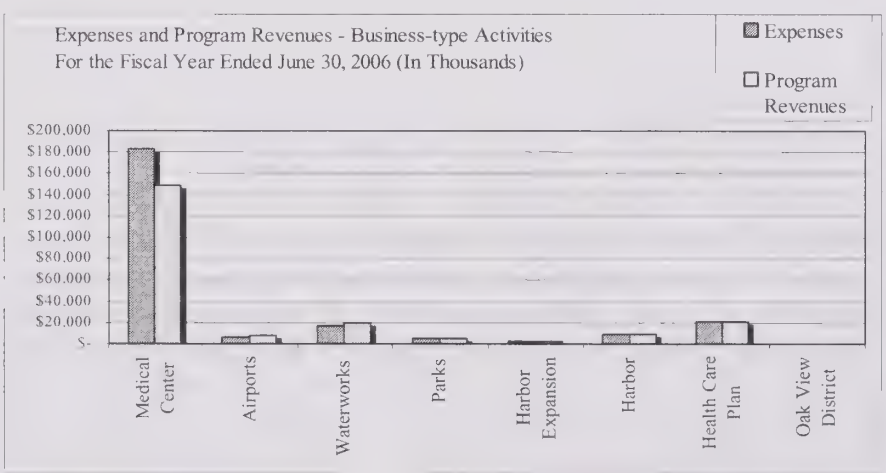
resulting from the recovery of inflationary costs of providing services were offset by several factors, including the shift to the state of civil assessments and civil filing fees pursuant to AB 139 and AB 145, the one-time receipt in 2004-05 of consumer fraud related fines in the District Attorney's Office, a service level decrease in Sheriff Detention services and certain revenues currently reported as operating grants and contributions.

- Capital grants and contributions of $22,308,000 represented the smallest source of program revenues in 2005-06 at 4 percent of total program revenues. General government and public ways and facilities showed a combined increase of $12,189,000, partly offset by decreases in public assistance, public protection, and education of $5,078,000. Funding for the construction of infrastructure in the Piru area, the new voting system, costs related to the El Rio Sewer Project, and the Lewis Road Widening Project as well as state and federal construction aid revenues accounted for the increase.

- General revenue for governmental activities primarily consisted of taxes, other revenues, and investment earnings. Property tax revenue is the largest source of general revenue with $326,673,000 reported in 2005-06, an increase of 14 percent from 2004-05, driven by rising assessed values of real property. Investment earnings increased by $5,048,000 when compared to the prior year, as a result of a combination of higher average cash balances and interest rates.

Expenses. Total program expenses for governmental activities were $903,314,000 for the current fiscal year as compared to $867,001,000 for the prior fiscal year, an increase of 4 percent. Public protection at $501,188,000 accounted for 55 percent of total expenses for governmental activities. Public assistance expenses were $180,310,000, or 20 percent, followed by health and sanitation services at $109,759,000, or 12 percent, general government at $70,314,000, or 8 percent, and various other costs of $41,743,000, or 5 percent, of total expenses. Except for general government and public ways and facilities, which showed decreases, all other functions of governmental activities reported increases in expenses. The biggest single factor in the decrease in general government expenses of $7,903,000 when compared to the prior year was the State's redesign of the disproportionate share hospital (DSH) program through the passage of SB 1100 in October 2005, which no longer requires recording an intergovernmental transfer from the general fund. Public ways and facilities decreased by $6,062,000 largely because of significant one-time expenses in the prior year relating to the storm-related disaster.

Business-type activities. Business-type activities increased net assets by $2,854,000 or 3 percent of the total growth in the County's net assets primarily from General Fund subsidies. The bar chart below depicts the relationships of the business-type activities direct expenses to program revenues:



Revenues. The County has three major business-type activities: The Medical Center, Department of Airports, and Waterworks-Water and Sewer. Business-type activities recover a significant portion of their costs through user fees and charges. For the current year, 96 percent, or $208,975,000, of total program and general revenues were generated from charges for services, the same as the prior fiscal year. The Medical Center accounted for 69 percent of total program revenues for business-type activities at $148,039,000, a reduction of 2 percent from the prior fiscal year. The Health Care Plan accounted for 10 percent of total program revenues, up 2 percent from the prior fiscal year. The Waterworks Districts' combined water and sewer activities generated 9 percent of total program revenues, and all other business-type activities accounted for the remaining 12 percent.

Expenses. Total expenses for business-type activities were $245,432,000 in 2005-06 compared to $218,705,000 in 2004-05, representing an increase of about 12 percent. About 74 percent of total expenses, or $183,293,000, were incurred by the Medical Center, compared to 73 percent in the prior year. The Health Care Plan and Waterworks-Water and Sewer activities, at $38,396,000, accounted for 16 percent of the total cost. The remaining 10 percent of expenses were incurred by the Department of Airports, Parks, Channel Islands Harbor and Harbor Expansion, and the Oak View School Preservation business activities, with a combined total of $23,743,000.

Start-up costs for the opening of Santa Paula Hospital, increases in supplies and other costs due to inflation and higher patient volume, and salaries and benefits costs, which rose by 14 percent from 2004-05, contributed to the Medical Center's increase in total expenses when compared to the prior year. The other business-type activities also reported increases in expense, except Channel Islands Harbor with a decrease primarily resulting from the one-time judgment reported in 2004-05.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The County's general government functions are accounted for in the County's general, special revenue, debt service, capital projects, and permanent funds. Included in these funds are the special districts governed by the Board of Supervisors (Board). The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the County's financing requirements. Types of major governmental funds reported by the County include the General Fund, Roads Fund, Watershed Protection Districts, and the Fire Protection District.

At June 30, 2006, the County's governmental funds reported combined fund balances of $354,375,000, an increase of $3,419,000 from the prior year. Approximately 65 percent of the combined fund balances, $231,055,000, are unreserved and available to meet the County's current and future needs. A significant portion of these unreserved fund balances ($137,954,000) are designated by the Board for uses in the next fiscal year, such as contingencies, capital asset acquisition and replacement, watershed protection projects, and future year financing needs.

Revenues for governmental functions totaled $1,030,038,000 in the year ended June 30, 2006, representing an increase of about 8 percent from the fiscal year ended June 30, 2005, largely attributable to increases in property taxes and aid from other governmental units. Expenditures, at $998,934,000, increased 8 percent from the fiscal year ended June 30, 2005, with the largest increases reported in the public protection, capital outlay, public assistance, and health and sanitation functions.

GENERAL FUND

At June 30, 2006,the General Fund, the County's principal operating fund, had an unreserved fund balance of $105,316,000, of which $78,025,000, or 74 percent, was designated for future years. Fund balance may be designated for purposes beyond the current year; however, designated fund balance is available for appropriation at any time. The most significant designations are $69,476,000 for subsequent year financing needs, $5,000,000 for settlements of potential audit and other disallowances not otherwise provided for, and $3,000,000 for other post employment benefits. Reserved fund balance of $71,182,000, or 40 percent of total fund balance, represents resources that are not available for expenditure because it is reserved for encumbrances, advances and long-term receivables, imprest cash, externally imposed restrictions, and a general reserve established for legally declared emergencies.

Total fund balance was $176,498,000, increasing by $23,485,000 when compared to the prior fiscal year. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 15 percent of total expenditures, while total fund balance represents 25 percent of the same amount.

ROADS FUND - SPECIAL REVENUE FUND

This fund accounts for planning, design, construction, maintenance, and administration of County roads. It also engages in traffic safety and other transportation planning activities. Revenues consist primarily of state and federal grants and the County's share of state highway use taxes and sales taxes. At June 30, 2006, this fund had an unreserved fund balance of $24,167,000, of which $7,081,000 were designated by the Board for future year financing needs. The reserved fund balance of $20,762,000 increased by $18,451,000 compared to the prior fiscal year primarily due to encumbrances for contracts related to the Lewis Road Widening Project to accommodate increased traffic from the opening of California State University Channel Islands. Total fund balance at June 30, 2006 was $44,929,000.

WATERSHED PROTECTION DISTRICTS - SPECIAL REVENUE FUND

The function of this fund is the control of flood and storm waters and the conservation of such waters for beneficial public use. Unreserved fund balance at June 30, 2006 was $51,775,000, including $30,194,000 designated by the Board primarily for watershed protection projects and future year financing needs, which decreased by $17,779,000 when compared with the prior fiscal year unreserved fund balance of $69,554,000 largely due to expenditures for new projects and additional storm-related expenditures. Reserved fund balance of $14,731,000 increased over the prior year balance by $717,000 due to an increase in encumbrances. Total fund balance at June 30, 2006 was $66,506,000.

FIRE PROTECTION DISTRICT - SPECIAL REVENUE FUND

The Fire Protection District provides fire protection to the unincorporated areas of the County as well as the cities of Camarillo, Moorpark, Ojai, Port Hueneme, Simi Valley, and Thousand Oaks. Support is derived principally from property taxes. This fund had an unreserved fund balance of $33,069,000, of which $17,946,000 were designated by the Board for capital asset acquisitions and replacements and future year financing needs. Reserved fund balance of $8,363,000 decreased by $7,457,000, primarily due to the reduction of encumbrances through expenditures incurred in 2005-06.

NON-MAJOR GOVERNMENTAL FUNDS

Other governmental funds had unreserved fund balances totaling $16,728,000, including designated fund balances for various projects and future year financing needs of $4,708,000.

Note 11 - Net Assets/ Fund Balances provides additional information on reserved and designated fund balances.

The following schedule presents a summary of revenues and other financing sources, expenditures and other financing uses, and net changes in fund balances for the County's major and non-major funds for the current and previous fiscal years.

Governmental Funds
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2006 and 2005
(In Thousands)

	Revenues, Other Financing Sources and Changes in Reserve for Inventories		Expenditures, Other Financing Uses and Changes in Reserve for Inventories		Net Change in Fund Balances		Increase (Decrease)
	2006	2005	2006	2005	2006	2005	Change
General Fund	$ 789,489	$ 754,066	$ 766,004	$ 714,377	$ 23,485	$ 39,689	$ (16,204)
Roads	32,673	23,006	26,781	29,109	5,892	(6,103)	11,995
Watershed Protection Districts	37,480	34,614	54,542	45,407	(17,062)	(10,793)	(6,269)
Fire Protection District	109,224	99,749	115,907	102,510	(6,683)	(2,761)	(3,922)
Non-major funds	94,558	91,009	96,771	91,793	(2,213)	(784)	(1,429)
Total	$ 1,063,424	$ 1,002,444	$ 1,060,005	$ 983,196	$ 3,419	$ 19,248	$ (15,829)

GENERAL FUND

Aid from other governmental units, taxes, and charges for services comprise 90 percent of total revenues. Taxes increased by $33,677,000, or 17 percent, primarily due to increases in the assessed value of real property and sales tax revenue. Aid from other governmental units increased by $12,921,000, or 4 percent, as costs of providing existing and new programs increased. Charges for services rose by $4,208,000, or 3 percent, as expenditures to provide such services increased largely due to inflation, offset by reductions in civil assessments and filing fees, one-time fines and penalties received in 2004-05 relating to consumer fraud, and service level related charges.

ROADS

Fund balance increased at June 30, 2006 by $5,892,000, compared with a decrease in the prior year of $6,103,000. The increase was principally due to federal and state disaster reimbursements for expenditures incurred in the prior year relating to the 2005 winter storms, funding from the Ventura County Transportation Commission for the Lewis Road Widening Project, federal and state aid for construction, and the state allocation of Traffic Congestion Relief funds which were temporarily suspended in the two preceding fiscal years. In addition to the increase in revenues and other financing sources of about $9,667,000, expenditures and other financing uses in 2005-06 decreased by about $2,328,000 compared by the prior year, primarily because of disaster-related repairs costs reported in 2004-05.

WATERSHED PROTECTION DISTRICTS

Fund balance decreased by $17,062,000 in 2005-06, compared with a decrease in the prior fiscal year of $10,793,000. Revenues and other financing sources in 2005-06 of $37,480,000 exceeded revenues and other financing sources in 2004-05 of $34,614,000 by $2,866,000, primarily from disaster reimbursements for expenditures principally incurred in 2004-05 and taxes. Receivables of disaster-related revenues of $16,986,000 were reported as deferred revenue in the Balance Sheet - Governmental Funds because receipt is not expected within the County's six-month availability period. Expenditures and other financing uses in 2005-06 of $54,542,000 increased by $9,135,000 when compared with the prior year largely due to several new projects and additional expenditures related to the storms of 2005. Among the larger projects begun in 2005-06 are the Santa Clara River at the Santa Paula Airport project, the Santa Clara River Groins Upgrade, and the Hueneme Drain project.

FIRE PROTECTION DISTRICT

The District's fund balance decreased by $6,683,000, compared to a decrease of $2,761,000 in 2004-05. Revenues and other financing sources at June 30, 2006 totaled $109,224,000, an increase of $9,475,000 from the prior fiscal year, primarily from increased property taxes and emergency services reimbursements. Expenditures and other financial uses were $115,907,000, increasing by $13,397,000 when compared to 2004-05, primarily due to an increase in capital outlay and certain salary and employees benefits costs such as overtime, retirement, and workers' compensation. The increase in capital outlay was primarily related to the acquisition of fire apparatus and equipment for the Communication Improvement Project.

NON-MAJOR GOVERNMENTAL FUNDS

Fund balances at June 30, 2006 decreased by $2,213,000, compared with a prior year decrease of $784,000. The decrease was attributable to the Public Financing Authority (PFA), Pension Obligation Bonds, and the Piru Redevelopment Agency debt services funds, which reported losses offset by increases in other governmental funds.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide business-type activity financial statements, but in more detail. The table below depicts current year and prior year Enterprise Fund actual revenues, expenses, transfers, and changes in net assets:

Summary of Revenues, Expenses, Transfers and Changes in Fund Net Assets
Enterprise Funds
For the Fiscal Year Ended June 30, 2006
(In Thousands)

	Major Funds				
	Medical Center	Department of Airports	Waterworks Districts	Non-major Funds	Total
Operating revenues	$148,124	$ 5,180	$ 19,551	$ 36,277	$ 209,132
Operating expenses	(182,486)	(6,077)	(17,750)	(38,414)	(244,727)
Operating income (loss)	(34,362)	(897)	1,801	(2,137)	(35,595)
Non-operating revenues (expenses), net	(1,677)	3,257	2,265	2,212	6,057
Income (loss) before transfers	(36,039)	2,360	4,066	75	(29,538)
Transfers	29,292	-	(9)	1,215	30,498
Change in net assets	(6,747)	2,360	4,057	1,290	960
Net assets - beginning	41,701	40,025	93,750	26,448	201,924
Net assets - ending	$ 34,954	$ 42,385	$ 97,807	$ 27,738	$ 202,884

Summary of Revenues, Expenses, Transfers and Changes in Fund Net Assets
Enterprise Funds
For the Fiscal Year Ended June 30, 2005
(In Thousands)

	Major Funds				
	Medical Center	Department of Airports	Waterworks Districts	Non-major Funds	Total
Operating revenues	$152,583	$ 4,707	$ 20,437	$ 29,089	$206,816
Operating expenses	(159,069)	(5,715)	(17,127)	(30,824)	(212,735)
Operating income (loss)	(6,486)	(1,008)	3,310	(1,735)	(5,919)
Non-operating revenues (expenses), net	(1,202)	4,683	1,122	(1,064)	3,539
Income (loss) before transfers	(7,688)	3,675	4,432	(2,799)	(2,380)
Transfers	10,869	-	(40)	3,599	14,428
Change in net assets	3,181	3,675	4,392	800	12,048
Net assets - beginning	38,520	36,350	89,358	25,648	189,876
Net assets - ending	$ 41,701	$ 40,025	$ 93,750	$ 26,448	$201,924

The net loss before transfers of ($29,538,000) for all enterprise funds resulted primarily from the Medical Center's net loss of ($36,039,000). Transfers to the Medical Center from the General Fund of $29,292,000, up from $10,869,000 in the prior year, reduced the loss to ($6,747,000). A combination of reduced revenue and increased cost resulted in an increase in the loss to the Medical Center. A redesign of the disproportionate share hospital program (DSH) through SB 1100, intended to maximize the use of federal funds, resulted in lower net DSH revenues for the Medical Center. Operating expenses increased by $23,417,000 or 15 percent when compared to the prior year. Salaries and benefits costs increased by 12 percent compared to 2004-05 primarily due to negotiated and merit increases and increased retirement and group insurance costs. Other operating costs, primarily drug, medical, laboratory and surgical supplies, and professional and medical services, increased due to inflation and higher patient volumes. In addition, Santa Paula Hospital was purchased, renovated, supplied and staffed for its opening in July 2006.

The change in net assets for all other enterprise funds totaled $7,707,000, down 13 percent from 2004-05. Operating revenues and expenses were $61,008,000 and $62,241,000, up by 12 percent and 16 percent, respectively, from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget Compared to Final Budget, June 30, 2006

Appropriations for the General Fund final budget, including transfers out, exceeded the original budget by $44,099,000. Some of the larger changes are summarized below.

Appropriations for transfers out increased by about $17,648,000. Approximately $10.9 million related to certain debt service costs budgeted in the General Fund for control purposes but reported in non-major debt service funds, offset by decreases in debt service appropriations. In addition, about $6.6 million of the transfers were subsidies to other funds and an allocation of additional realignment revenue to the Medical Center. Appropriations for capital outlay increased by about $26,176,000 to fund the purchase of the Partridge Building for use by the Human Services Agency ($12.1 million), costs relating to the El Rio Sewer project ($2.8 million) and the new voting system ($2.7 million), major repairs of various County capital assets ($5.1 million), additional costs for the payroll system ($584,000), and purchases of equipment for a variety of General Fund departments. Final budget

appropriations for services and supplies increased by $9,842,000 primarily in health and sanitation services, public protection, and public assistance as a result of unanticipated revenues or transfers from other object levels of expenditure. In the general government function, transfers of appropriations from services and supplies to capital assets resulted in a decrease of $5,794,000 in the final budget when compared with the original budget.

Final Budget Compared to Actual Expenditures and Revenues, June 30, 2006

The final budget appropriations exceeded actual expenditures including transfers out by $65,764,000 while the final budget estimated revenues exceeded actual revenues including transfers in and proceeds of debt by $51,417,000. The largest components of the excess appropriations over expenditures resulted from the deferral of the close of escrow on the Partridge Building purchase to 2006-07 ($12.1 million) and the redesign of the Medical Center's disproportionate share hospital (DSH) program ($17.9 million). Prior to the DSH redesign, effective in October 2005 through the passage of SB 1100, intergovernmental transfers to the State from the General Fund were required, and therefore budgeted, in 2005-06. Since the inception of SB 1100, payments to the State under the redesigned DSH program are now recorded in the Medical Center as accounts receivable. In addition to excess appropriations for salaries and benefits and certain services and supplies, $17.9 million of unexpended appropriations for services and supplies and capital outlay were encumbered for expenditure in 2006-07. The largest revenue shortfall in comparison with the final budget was in aid from other governmental units in the amount of $19,435,000, primarily due to $16.2 million of the Vehicle License Fee Gap Loan budgeted in 2005-06. The funds were received in July 2005 and were reported in the Comprehensive Annual Financial Report of 2004-05.

Budgetary information is included in the Required Supplementary Information (RSI) section including Notes to the RSI.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - Government-wide Financial Statements

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2006, (at cost) amounted to $1,539,633,000 or $1,138,696,000 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, structures and improvements, equipment, vehicles, infrastructure, and construction in progress. The total increase in the County's investment in capital assets, net of related debt for the current period was 5 percent.

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Governmental fund financial statements record capital asset purchases as expenditures.

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year (in thousands):

	Governmental activities		Business-type activities		Total		Increase (Decrease) Percent of Change
	2006	2005	2006	2005	2006	2005	
Land and improvements	$ 218,896	$ 218,838	$ 63,278	$ 57,853	$ 282,174	$ 276,691	1.98%
Structures and improvements	372,126	368,616	166,388	140,626	538,514	509,242	5.75%
Equipment	125,333	119,376	38,319	35,027	163,652	154,403	5.99%
Vehicles	63,322	62,254	577	577	63,899	62,831	1.70%
Infrastructure	381,510	372,954	-	-	381,510	372,954	2.29%
Construction in progress	87,009	55,590	22,875	35,254	109,884	90,844	20.96%
Total	$1,248,196	$1,197,628	$291,437	$269,337	$1,539,633	$1,466,965	4.95%

Major capital asset events during the current fiscal year included the following:

Construction in progress had a net increase of $19,040,000. Additions totaling $57,393,000 included Watershed Protection projects ($13,934,000), Fire Protection District projects ($13,150,000), Medical Center improvements ($7,767,000), Road construction projects ($6,715,000), and various other projects ($15,827,000). Construction in progress was reduced by $38,353,000 including transfers of completed projects of $38,013,000 to structures and improvements and equipment.

The County's infrastructure assets for both the watershed protection network and the roads network are recorded at historical cost in the government-wide financial statements as required by GASB 34.

Additional information on capital asset activity is provided in Note 7 of the Notes to the Basic Financial Statements.

Debt Administration - Government-wide Financial Statements

At June 30, 2006, the County had total debt outstanding of $149,701,000, excluding capital leases, compensated absences and other liabilities. The following table summarizes the categories of debt. During the year, retirement of debt amounted to $34,017,000. Additions amounted to $2,000,000. The following table summarizes the debt outstanding balances at June 30, 2006 and 2005 (in thousands):

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Certificates of participation and lease revenue bonds	$ 66,418	$ 72,463	$ 23,867	$ 26,512	$ 90,285	$ 98,975
Tax exempt commercial paper	16,182	19,431	4,218	3,269	20,400	22,700
Loans payable	800	869	3,031	3,674	3,831	4,543
Pension obligation bonds	35,185	55,500	-	-	35,185	55,500
	$ 118,585	$ 148,263	$ 31,116	$ 33,455	$ 149,701	$ 181,718

For the fiscal year 2005-06, County debt limit is determined by statute at 1.25 percent of total assessed valuation or approximately $1,088,092,000. The general obligation debt subject to the debt limit is $149,701,000 which is under the limit by $938,391,000.

The County's debt utilization policy establishes the review process by the Financial Planning Committee before submission to the Board of Supervisors and central coordination by the County Executive Officer. The policy outlines a fiscally conservative basis for borrowing to include short-term needs and borrowing for certain assets with substantial economic lives. The benchmarks include County debt outstanding at less than one percent of the assessed valuation and debt service payments not greater than six percent of total General Fund expenditures.

The County, like other local governments, has an annual borrowing program which finances operations during periods of low cash flows due to periodic collection dates for property taxes. On July 1, 2005, the County issued $145,000,000 in Tax and Revenue Anticipation Notes (TRANs). Standard & Poor's Corporation and Moody's Investors Services gave the TRANs the highest rating for short-term securities of SP-1+ and MIG 1, respectively. At June 30, 2006, the outstanding balance was $145,000,000 and was paid with interest on July 3, 2006, the maturity date of the notes.

Additional information on long-term debt activity is provided in Note 10 of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The fiscal year 2006-07 adopted budget for all County funds totals $1,552,123,000, a 5.8 percent increase when compared to the prior year. The General Fund 2006-07 budget of $855,297,000 was structurally balanced using projected ongoing available financing sources. Year-end fund balance is not considered an ongoing financing source and is used to finance reserve and designation adjustments and one-time expenditures.

- Assessed property valuations increased by over 11 percent for the 2006-07 fiscal year when compared with 2005-06. Property tax revenues were budgeted with an increase of about 11 percent.

- The 2006-07 budget includes increases in salaries and benefits of 10 percent as compared to the prior year's actual expenditures, including an increase of 14 percent in retirement contributions, 20 percent in health insurance, and 28 percent in Pension Obligation Bonds debt service to recover the 2005-06 deficit discussed in Note 2 of the Notes to the Basic Financial Statements.

- Payment from the State of Proposition 42 funds for transportation, suspended in 2003-04 and 2004-05, was received in August 2006 in the amount of $4.4 million.

Additional information is provided in Notes 15 and 16 of the Notes to the Basic Financial Statements, as well as the transmittal letter on page 5 of this report.

REQUESTS FOR INFORMATION

County information is available on-line at www.countyofventura.org.

The financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Further requests for information on this report or for the separate reports for the Public Facilities Corporation or the Public Financing Authority should be addressed to the Auditor-Controller, 800 South Victoria Avenue, Ventura, CA 93009-1540.

Questions concerning any of the information provided in this report regarding the discretely presented component unit, Children and Families First Commission, or requests for additional information should be addressed to the Executive Director, 2850 East Main Street, Suite 302, Ventura, CA 93003.

Questions concerning any of the information provided in this report or requests for additional information on the separate financial report of VCERA should be addressed to the Retirement Administrator, 1190 South Victoria Avenue, Suite 200, Ventura, CA 93003-6572.

Basic Financial Statements

COUNTY OF VENTURA
STATEMENT OF NET ASSETS
JUNE 30, 2006
(In Thousands)

	Primary Government			Discretely Presented Component Unit
ASSETS	Governmental Activities	Business-type Activities	Total	
Cash and investments (Note 3)	$ 636,096	$ 56,030	$ 692,126	$ 38,691
Receivables, net (Note 5)	117,355	43,905	161,260	2,715
Internal balances	16,382	(16,382)	-	-
Due from primary government	-	-	-	88
Due from other governmental agencies	83	1	84	-
Inventories and other assets	6,186	1,331	7,517	-
Loans and other long-term receivables (Note 5)	22,323	247	22,570	-
Deferred charges	721	281	1,002	-
Unamortized bond discount	330	-	330	-
Restricted cash and investments (Note 3)	451	4,965	5,416	-
Capital assets (Note 7):				
Nondepreciable	304,600	43,616	348,216	-
Depreciable, net	647,513	142,967	790,480	-
Total assets	$ 1,752,040	$ 276,961	$ 2,029,001	$ 41,494
LIABILITIES				
Accounts payable	$ 32,969	$ 11,057	$ 44,026	$ 3,133
Tax and revenue anticipation notes payable (Note 13)	145,000	-	145,000	-
Accrued liabilities (Note 8)	63,939	14,872	78,811	26
Due to component unit	88	-	88	-
Due to other government agencies	1,997	-	1,997	-
Unearned revenue	21,625	1,661	23,286	-
Deposits and other liabilities	-	468	468	-
Long-term liabilities (Note 10):				
Due within one year	95,586	8,730	104,316	-
Due beyond one year	162,015	35,238	197,253	-
Total liabilities	523,219	72,026	595,245	3,159
NET ASSETS				
Invested in capital assets, net of related debt (Notes 7 & 10)	869,229	158,851	1,028,080	-
Restricted (Note 11):				
By creditors	451	3,345	3,796	-
By grantors	67,459	1,264	68,723	379
By regulations of other governments	-	1,620	1,620	-
Unrestricted	291,682	39,855	331,537	37,956
Total net assets	1,228,821	204,935	1,433,756	38,335
Total liabilities and net assets	$ 1,752,040	$ 276,961	$ 2,029,001	$ 41,494

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 70,314	$ 36,528	$ 21,745	$ 6,531
Public protection	501,188	118,506	120,750	4,027
Public ways and facilities	19,595	622	20,131	11,750
Health and sanitation services	109,759	36,780	65,088	-
Public assistance	180,310	1,187	171,513	-
Education	9,812	306	1,548	-
Interest on long-term debt	12,336	-	-	-
Total governmental activities	903,314	193,929	400,775	22,308
Business-type activities:				
Medical Center	183,293	148,039	-	-
Department of Airports	6,027	5,175	-	3,143
Waterworks Districts - Water	13,430	15,086	-	337
Waterworks Districts - Sewer	3,788	4,424	-	41
Parks Department	5,484	3,730	-	1,609
Channel Islands Harbor Expansion	2,855	2,030	-	54
Channel Islands Harbor	9,265	8,948	-	708
Health Care Plan	21,178	21,369	-	-
Oak View District	112	174	-	-
Total business-type activities	245,432	208,975	-	5,892
Total primary government	$ 1,148,746	$ 402,904	$ 400,775	$ 28,200
Component unit:				
Children and Families First Commission	$ 12,978	$ -	$ 11,132	$ -

General revenues:
Taxes:
Property taxes
Property transfer taxes
Sales and use taxes
Unrestricted aid from other governmental units
Other
Unrestricted interest and investment earnings
Gain on sale of capital assets
Transfers
Total general revenues and transfers
Change in net assets
Net assets - July 1, 2005
Net assets - June 30, 2006

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

Net (Expenses) Revenues and Changes in Net Assets Primary Government			Discretely Presented	
Governmental Activities	Business-type Activities	Total	Component Unit	Functions/Programs:
				Primary government
				Governmental activities:
$ (5,510)	$ -	$ (5,510)	$ -	General government
(257,905)	-	(257,905)	-	Public protection
12,908	-	12,908	-	Public ways and facilities
(7,891)	-	(7,891)	-	Health and sanitation services
(7,610)	-	(7,610)	-	Public assistance
(7,958)	-	(7,958)	-	Education
(12,336)	-	(12,336)	-	Interest on long-term debt
(286,302)	-	(286,302)	-	Total governmental activities
				Business-type activities:
-	(35,254)	(35,254)	-	Medical Center
-	2,291	2,291	-	Department of Airports
-	1,993	1,993	-	Waterworks Districts - Water
-	677	677	-	Waterworks Districts - Sewer
-	(145)	(145)	-	Parks Department
-	(771)	(771)	-	Channel Islands Harbor Expansion
-	391	391	-	Channel Islands Harbor
-	191	191	-	Health Care Plan
-	62	62	-	Oak View District
-	(30,565)	(30,565)	-	Total business-type activities
(286,302)	(30,565)	(316,867)		Total primary government
				Component unit:
			(1,846)	Children and Families First Commission
326,673	-	326,673	-	
7,692	-	7,692	-	
11,532	-	11,532	-	
19,411	-	19,411	-	
18,319	200	18,519	-	
17,116	2,014	19,130	1,313	
1,498	707	2,205	-	
(30,498)	30,498	-	-	
371,743	33,419	405,162	1,313	
85,441	2,854	88,295	(533)	
1,143,380	202,081	1,345,461	38,868	
$ 1,228,821	$ 204,935	$ 1,433,756	$ 38,335	

COUNTY OF VENTURA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006
(In Thousands)

	Total	General Fund	Roads
ASSETS			
Cash and investments (Note 3)	$ 502,624	$ 324,947	$ 41,687
Receivables, net (Note 5)	113,488	74,246	10,638
Due from other funds (Note 6)	7,451	4,498	365
Due from other governmental agencies	24	24	-
Inventories and other assets	4,310	3,316	-
Loans receivable (Note 5)	2,186	1,396	-
Long-term receivables (Note 5)	19,837	19,837	-
Advances to other funds (Note 6)	16,040	16,000	-
Total assets	$ 665,960	$ 444,264	$ 52,690
LIABILITIES			
Accounts payable	$ 25,607	$ 18,225	$ 3,452
Accrued liabilities (Note 8)	61,058	56,216	233
Tax and revenue anticipation notes payable (Note 13)	145,000	145,000	-
Due to other funds (Note 6)	17,365	8,553	1,693
Due to other governmental agencies	1,997	1,997	-
Due to component unit	88	88	-
Deferred revenue	60,470	37,687	2,383
Total liabilities	311,585	267,766	7,761
FUND BALANCES			
Reserved (Note 11)	123,320	71,182	20,762
Unreserved, designated (Note 11)	137,954	78,025	7,081
Unreserved, undesignated reported in (Note 11):			
General fund	27,291	27,291	-
Special revenue funds	60,819	-	17,086
Debt service funds	(1,720)	-	-
Capital projects funds	6,693	-	-
Permanent funds	18	-	-
Total fund balances	354,375	176,498	44,929
Total liabilities and fund balances	$ 665,960	$ 444,264	$ 52,690

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006
(In Thousands)

Watershed Protection Districts	Fire Protection District	Non-Major Governmental Funds	
			ASSETS
$ 71,775	$ 36,720	$ 27,495	Cash and investments (Note 3)
20,075	6,508	2,021	Receivables, net (Note 5)
375	1,722	491	Due from other funds (Note 6)
-	-	-	Due from other governmental agencies
-	955	39	Inventories and other assets
-	-	790	Loans receivable (Note 5)
-	-	-	Long-term receivables (Note 5)
-	-	40	Advances to other funds (Note 6)
$ 92,225	$ 45,905	$ 30,876	Total assets
			LIABILITIES
$ 1,744	$ 1,225	$ 961	Accounts payable
291	3,037	1,281	Accrued liabilities (Note 8)
-	-	-	Tax and revenue anticipation notes payable (Note 13)
3,360	196	3,563	Due to other funds (Note 6)
-	-	-	Due to other governmental agencies
-	-	-	Due to component unit
20,324	15	61	Deferred revenue
25,719	4,473	5,866	Total liabilities
			FUND BALANCES
14,731	8,363	8,282	Reserved (Note 11)
30,194	17,946	4,708	Unreserved, designated (Note 11)
			Unreserved, undesignated reported in (Note 11):
-	-	-	General fund
21,581	15,123	7,029	Special revenue funds
-	-	(1,720)	Debt service funds
-	-	6,693	Capital projects funds
-	-	18	Permanent funds
66,506	41,432	25,010	Total fund balances
$ 92,225	$ 45,905	$ 30,876	Total liabilities and fund balances

(Continued)

COUNTY OF VENTURA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
JUNE 30, 2006
(In Thousands)
(Continued)

Fund balances - total governmental funds		$ 354,375
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		921,484
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported as revenues in the governmental funds.		
Long-term receivables	39,204	
Deferred charges	721	
Unamortized bond discount	330	40,255
Internal service funds are used by management to charge the costs of certain activities to individual funds and primarily serve governmental funds. Consequently, the assets and liabilities of Internal Service Funds are incorporated as part of governmental activities for purposes of government-wide financial reporting. In addition, the internal balance resulting from the allocation of Internal Service Funds to Business-type activities is also reported in the Statement of Net Assets.		79,283
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Certificates of participation	(62,943)	
Tax exempt commercial paper	(15,396)	
Loans payable	(800)	
Pension obligation bonds	(35,185)	
Compensated absences	(47,971)	
Other liabilities	(828)	
Accrued interest payable	(1,563)	
Accrued pension obligation	(238)	
Unamortized bond premium	(1,652)	(166,576)
Net assets of governmental activities		$ 1,228,821

See accompanying notes to the basic financial statements

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COUNTY OF VENTURA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	Total	General Fund	Roads
Revenues:			
Taxes	$ 345,897	$ 234,210	$ 1,185
Licenses, permits, and franchises	19,244	17,909	368
Fines, forfeitures, and penalties	15,163	14,834	221
Revenues from use of money and property	13,176	7,343	745
Aid from other governmental units	434,373	351,772	27,053
Charges for services	140,570	126,329	-
Other	61,615	27,037	3,077
Total revenues	1,030,038	779,434	32,649
Expenditures:			
Current:			
General government	68,615	68,503	-
Public protection	510,943	347,401	-
Public ways and facilities	20,111	-	19,866
Health and sanitation services	111,347	111,347	-
Public assistance	182,780	165,527	-
Education	10,535	778	-
Capital outlay	53,126	15,695	6,777
Debt service:			
Principal retirement	29,097	-	-
Interest and fiscal charges	12,380	6,026	-
Total expenditures	998,934	715,277	26,643
Excess (deficiency) of revenues over (under) expenditures	31,104	64,157	6,006
Other financing sources (uses):			
Proceeds from sale of capital assets	3,044	2,450	21
Proceeds of long-term debt	377	-	-
Transfers in	29,965	7,605	3
Transfers out	(61,071)	(50,727)	(138)
Total other financing sources (uses)	(27,685)	(40,672)	(114)
Net change in fund balances	3,419	23,485	5,892
Fund balances - beginning	350,956	153,013	39,037
Fund balances - ending	$ 354,375	$ 176,498	$ 44,929

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

Watershed Protection Districts	Fire Protection District	Non-Major Governmental Funds	
			Revenues:
$ 13,496	$ 88,161	$ 8,845	Taxes
127	820	20	Licenses, permits, and franchises
35	43	30	Fines, forfeitures, and penalties
2,461	1,309	1,318	Revenues from use of money and property
8,527	9,789	37,232	Aid from other governmental units
12,028	1,101	1,112	Charges for services
307	7,428	23,766	Other
36,981	108,651	72,323	Total revenues
			Expenditures:
			Current:
-	-	112	General government
40,072	100,281	23,189	Public protection
-	-	245	Public ways and facilities
-	-	-	Health and sanitation services
-	-	17,253	Public assistance
-	-	9,757	Education
14,148	14,786	1,720	Capital outlay
			Debt service:
-	502	28,595	Principal retirement
-	30	6,324	Interest and fiscal charges
54,220	115,599	87,195	Total expenditures
(17,239)	(6,948)	(14,872)	Excess (deficiency) of revenues over (under) expenditures
			Other financing sources (uses):
-	573	-	Proceeds from sale of capital assets
-	-	377	Proceeds of long-term debt
499	-	21,858	Transfers in
(322)	(308)	(9,576)	Transfers out
177	265	12,659	Total other financing sources (uses)
(17,062)	(6,683)	(2,213)	**Net change in fund balances**
83,568	48,115	27,223	Fund balances - beginning
$ 66,506	$ 41,432	$ 25,010	Fund balances - ending

(Continued)

COUNTY OF VENTURA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)
(Continued)

Net change in fund balances - total governmental funds		$3,419
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for general capital assets and infrastructure	$ 53,126	
Less net effect of sales and dispositions	(1,441)	
Less current year depreciation	(20,550)	31,135
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		2,836
Bond issuance costs, discounts, and premiums are expenditures in the governmental funds but are reported as deferred charges and unamortized bond discounts and premiums in the statement of net assets and amortized over the term of the bond.		
Deferred charges	(65)	
Bond discounts	(30)	
Bond premiums	150	55
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Principal repayments:		
Certificates of participation	5,805	
Tax exempt commercial paper	2,908	
Loans payable	69	
Pension obligation bonds	20,315	29,097
Proceeds from long-term debt are reported as other financing sources in the governmental funds, but increase long-term liabilities in the statement of net assets.		
Tax exempt commercial paper		(377)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued pension obligation	71	
Accrued interest expense	138	
Change in other liabilities	193	
Change in compensated absences	(1,057)	(655)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The internal balance resulting from the allocation of Internal Service Funds to Business-type activities is also reported.		19,931
Change in net assets of governmental activities		$ 85,441

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2006
(In Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Total Enterprise Funds	Medical Center	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash and investments (Note 3)	$ 56,030	$ 1,975	$ 4,697	$36,957	$ 12,401	$ 133,472
Receivables, net (Note 5)	43,905	35,446	748	2,775	4,936	3,867
Due from other funds (Note 6)	2,048	1,831	11	100	106	13,609
Due from other governmental agencies	1	1	-	-	-	59
Advances to other funds (Note 6)	168	-	-	168	-	-
Inventories and other assets	1,331	752	-	317	262	1,876
Restricted cash and investments (Note 3)	4,965	3,289	-	-	1,676	451
Deferred charges	281	281	-	-	-	-
Total current assets	108,729	43,575	5,456	40,317	19,381	153,334
Noncurrent assets:						
Long-term receivables	247	-	117	-	130	300
Capital assets (Note 7):						
Nondepreciable:						
Land	20,741	396	8,459	2,354	9,532	770
Construction in progress	22,875	7,869	4,033	7,507	3,466	290
Depreciable:						
Land improvements	42,537	1,084	30,918	1,497	9,038	64
Structures and improvements	166,388	67,073	15,246	68,778	15,291	4,892
Equipment/Vehicles	38,896	32,540	1,417	2,988	1,951	84,202
Less accumulated depreciation	(104,854)	(48,042)	(21,082)	(21,098)	(14,632)	(59,589)
Total noncurrent assets	186,830	60,920	39,108	62,026	24,776	30,929
Total assets	295,559	104,495	44,564	102,343	44,157	184,263
LIABILITIES						
Current liabilities:						
Accounts payable	11,057	8,690	312	1,487	568	5,798
Due to other funds (Note 6)	4,441	1,241	51	522	2,627	1,302
Accrued liabilities (Note 8)	14,872	8,410	89	359	6,014	2,881
Compensated absences, current (Note 10)	3,058	2,772	101	-	185	3,247
Claims liabilities, current (Notes 10 & 14)	1,074	-	-	-	1,074	33,534
Certificates of participation, tax exempt commercial paper, and loans and capital leases payable, current (Note 10)	3,927	3,410	32	71	414	989
Other long-term liabilities, current (Note 10)	671	39	632	-	-	353
Total current liabilities	39,100	24,562	1,217	2,439	10,882	48,104
Noncurrent liabilities:						
Unearned revenue	1,661	-	93	404	1,164	359
Deposits and other liabilities	468	149	319	-	-	-
Advances from other funds (Note 6)	16,208	16,000	-	40	168	-
Compensated absences, noncurrent (Note 10)	1,827	1,586	51	-	190	2,218
Claims liabilities, noncurrent (Notes 10 & 14)	1,640	-	-	-	1,640	48,587
Medical malpractice liability (Note 14)	3,950	3,950	-	-	-	-
Certificates of participation, tax exempt commercial paper, and loans and capital leases payable, noncurrent (Note 10)	27,270	22,943	299	1,653	2,375	3,272
Other long-term liabilities, noncurrent (Note 10)	551	351	200	-	-	389
Total noncurrent liabilities	53,575	44,979	962	2,097	5,537	54,825
Total liabilities	92,675	69,541	2,179	4,536	16,419	102,929
NET ASSETS						
Invested in capital assets, net of related debt	158,851	37,856	38,660	60,302	22,033	26,819
Restricted (Note 11)	6,229	3,289	-	60	2,880	451
Unrestricted	37,804	(6,191)	3,725	37,445	2,825	54,064
Total net assets	202,884	$34,954	$42,385	$97,807	$ 27,738	$ 81,334
Adjustment to allocate the internal service fund income related to enterprise funds	2,051					
Total net assets of business-type activities	$204,935					

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Total	Medical Center	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Internal Service Funds
Operating Revenues:						
Charges for services	$195,280	$148,124	$ 304	$ 19,309	$ 27,543	$ 186,104
Rents and royalties	13,852	-	4,876	242	8,734	-
Miscellaneous	-	-	-	-	-	488
Total operating revenues	209,132	148,124	5,180	19,551	36,277	186,592
Operating Expenses:						
Salaries and benefits	97,501	91,038	2,378	-	4,085	66,167
Services and supplies	111,267	80,125	1,465	16,217	13,460	69,036
Insurance premiums	6,388	5,296	91	-	1,001	5,024
Utilities	2,694	2,077	237	-	380	-
Provision for claims	17,991	-	-	-	17,991	22,000
Depreciation and amortization	8,886	3,950	1,906	1,533	1,497	6,963
Total operating expenses	244,727	182,486	6,077	17,750	38,414	169,190
Operating income (loss)	(35,595)	(34,362)	(897)	1,801	(2,137)	17,402
Nonoperating revenues (expenses):						
State and federal grants	3,905	-	3,143	-	762	99
Gain from insurance recovery	200	-	-	-	200	-
Loss from disposal of capital assets	384	(31)	(9)	707	(283)	(84)
Issuance costs	(33)	(33)	-	-	-	-
Interest and investment income	2,014	243	140	1,224	407	4,015
Interest expense	(2,131)	(1,856)	(17)	(44)	(214)	(215)
Judgments and damages	(269)	-	-	-	(269)	-
Total nonoperating revenues (expenses)	4,070	(1,677)	3,257	1,887	603	3,815
Net income (loss) before capital contributions and transfers	(31,525)	(36,039)	2,360	3,688	(1,534)	21,217
Capital grants and contributions	1,987	-	-	378	1,609	-
Transfers in	37,271	36,056	-	-	1,215	618
Transfers out	(6,773)	(6,764)	-	(9)	-	(10)
Change in net assets	960	(6,747)	2,360	4,057	1,290	21,825
Net assets - beginning	201,924	41,701	40,025	93,750	26,448	59,509
Net assets - ending	$202,884	$ 34,954	$ 42,385	$ 97,807	$ 27,738	$ 81,334

Change in net assets - total enterprise funds	$ 960
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	1,894
Change in net assets - business-type activities	$ 2,854

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Total	Medical Center	Dept. of Airports	Waterworks Districts	Non-major Enterprise Funds	Internal Service Funds
Cash flows from operating activities						
Cash receipts from customers	$179,445	$140,851	$4,558	$ 20,046	$ 13,990	$ 10,920
Cash receipts from other funds	25,293	2,937	1,019	41	21,296	171,495
Cash receipts from other sources	296	-	296	-	-	241
Cash paid to suppliers for goods and services	(69,033)	(48,757)	(1,021)	(10,742)	(8,513)	(51,619)
Cash paid to employees for services	(96,745)	(89,983)	(2,380)	-	(4,382)	(65,913)
Cash paid to other funds	(24,602)	(14,736)	(760)	(5,827)	(3,279)	(16,822)
Cash paid for insurance premiums	(6,834)	(6,043)	-	-	(791)	(4,100)
Cash paid for judgments and claims	(18,198)	-	-	-	(18,198)	(16,909)
Net cash provided by (used in) operating activities	(10,378)	(15,731)	1,712	3,518	123	27,293
Cash flows from non-capital financing activities						
Transfers received	38,471	36,056	-	-	2,415	449
Transfers paid	(6,773)	(6,764)	-	(9)	-	(10)
Interest paid on non capital debt	(670)	(655)	-	-	(15)	-
State and federal grant receipts	1,140	-	-	378	762	99
Net cash provided by non-capital financing activities	32,168	28,637	-	369	3,162	538
Cash flows from capital and related financing activities						
Proceeds from capital debt	259	-	-	259	-	-
Proceeds from capital grants	4,161	-	3,385	-	776	-
Proceeds from capital contributions	263	-	-	-	263	169
Proceeds from insurance recovery	1,200	-	-	-	1,200	-
Acquisition and construction of capital assets	(21,986)	(9,188)	(4,638)	(3,682)	(4,478)	(5,523)
Principal paid on capital lease obligations	(12)	-	-	-	(12)	-
Principal paid on capital debt	(3,982)	(3,228)	(30)	(88)	(636)	(957)
Interest paid on capital debt	(1,499)	(1,240)	(17)	(43)	(199)	(220)
Proceeds from sales of capital assets	722	-	-	722	-	644
Net cash used in capital and related financing activities	(20,874)	(13,656)	(1,300)	(2,832)	(3,086)	(5,887)
Cash flows from investing activities						
Interest and investment income received	1,808	231	126	1,094	357	3,494
Net cash provided by investing activities	1,808	231	126	1,094	357	3,494
Net increase (decrease) in cash and cash equivalents	2,724	(519)	538	2,149	556	25,438
Total cash and cash equivalents, beginning of the year	53,306	2,494	4,159	34,808	11,845	108,034
Total cash and cash equivalents, end of the year	$ 56,030	$ 1,975	$4,697	$ 36,957	$ 12,401	$133,472

(Continued)

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)
(Continued)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Total	Medical Center	Dept. of Airports	Waterworks Districts	Non-major Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) To net cash provided (used) by Operating activities						
Operating income (loss)	$(35,595)	$(34,362)	$ (897)	$ 1,801	$ (2,137)	$ 17,402
Adjustments to reconcile operating income (loss) to cash flows from operation activities:						
Depreciation and amortization	8,886	3,950	1,906	1,533	1,497	6,963
Decrease (increase) in:						
Receivables	(6,583)	(6,758)	501	618	(944)	60
Due from other funds	2,466	2,421	3	2	40	(2,094)
Due from other governmental agencies	-	-	-	-	-	(30)
Inventories and other assets	691	(23)	-	(41)	755	635
Advances to other funds	35	-	-	35	-	-
Increase (decrease) in:						
Accounts payable	2,926	3,401	(19)	(100)	(356)	364
Accrued liabilities	(1,147)	(1,038)	12	(130)	9	844
Due to other funds	18,377	16,791	3	(91)	1,674	(817)
Unearned revenue	(308)	-	27	(109)	(226)	(1,643)
Claims liabilities	(953)	(746)	-	-	(207)	5,591
Other liabilities	330	149	181	-	-	30
Advances from other funds	(35)	-	-	-	(35)	-
Compensated absences	532	484	(5)	-	53	(12)
Net cash provided by (used in) operating activities	$(10,378)	$(15,731)	$ 1,712	$ 3,518	$ 123	$ 27,293

ENTERPRISE FUNDS
Non-cash investing, capital and financing activities include capital additions funded by debt ($1,419) and deletions of assets ($1,484). Interest on investments has been adjusted for current and prior year accruals ($203).

INTERNAL SERVICE FUNDS
Non-cash investing, capital and financing activities include deletions of assets ($3,756). Interest on investments has been adjusted for current and prior year accruals ($517).

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2006
(In Thousands)

	Supplemental Retirement Plan	Investment Trust	Agency
ASSETS			
Cash and investments (Note 3)	$ 459	$ 791,667	$ 17,360
Receivables, net			
Accounts	-	8,652	-
Employer contributions	238	-	-
Interest and dividends	2	-	47
Investments (Note 3):			
Bond mutual funds	1,991	-	-
Equity mutual funds	7,168	-	-
Due from other governmental agencies	-	1,978	13
Total assets	9,858	802,297	$ 17,420
LIABILITIES			
Accounts payable	16	3,687	$ -
Other liabilities	-	-	17,420
Due to other governmental agencies	7	71	-
Total liabilities	23	3,758	$ 17,420
NET ASSETS			
Net assets held in trust for investment pool participants/pension benefits	$ 9,835	$ 798,539	

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	Supplemental Retirement Plan Pension Trust	Investment Trust
ADDITIONS		
Contributions:		
Employer:		
Annual actuarially determined	$ 292	$ -
Employee contributions	268	-
Contributions to investment pool	-	2,346,190
Total contributions	560	2,346,190
Net investment income:		
Net appreciation (depreciation) in fair value of investments	811	(1,401)
Interest income	17	28,022
Net investment income	828	26,621
Total additions	1,388	2,372,811
DEDUCTIONS		
Benefit payments	347	-
Administrative expenses	235	-
Distribution to pooled participants	-	2,293,695
Total deductions	582	2,293,695
Change in net assets	806	79,116
Net assets - beginning	9,029	719,423
Net assets - ending	$ 9,835	$ 798,539

See accompanying notes to the basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The County of Ventura, California ("County") is a legal subdivision of the State of California and was established as a General Law County in 1873. It is governed by an elected five-member Board of Supervisors (Board) and provides the following services: general government, public protection, public ways and facilities, health and sanitation services, public assistance, and education.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either the County's ability to impose its will on the organization or the potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities, are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Board. The financial statements of the individual component units may be obtained by writing to the County of Ventura, Auditor-Controller's Office, 800 South Victoria Avenue, Ventura, CA 93009-1540.

Blended Component Units

Using the criteria established by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* and Statement No. 39, *Determining whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14*, the County's management has determined that the following component units should be blended with activities of the County as follows:

- Special Revenue Funds – Watershed Protection Districts, County Service Areas, Fire Protection District, the County of Ventura Redevelopment Agency (RDA), and the In-Home Supportive Services Public Authority;

- Enterprise Fund – Waterworks Districts including the Lake Sherwood Community Services District, Camarillo Water and Sewer, and Camarillo Roads and Lighting;

- Debt Service Funds – Ventura County Public Facilities Corporation, the Public Financing Authority, the RDA, and Watershed Protection Districts;

- Capital Project Funds – Ventura County Public Facilities Corporation (PFC), the Public Financing Authority (PFA), and the RDA;

- Pension Trust Fund – The County's Supplemental Retirement Plan (SRP).

The County is financially accountable for each of the above component units. The basis for blending is that the County's Board acts as the governing board for all entities except the Ventura County Public Facilities Corporation. However, this organization provides services entirely for the County's benefit.

Beginning in fiscal year 2005-06, the Ventura County Employees' Retirement Association (VCERA) is not included in the County's Comprehensive Annual Financial Report. The VCERA is a separate legal entity controlled and governed by the Board of Retirement, which is independent of the County Board of Supervisors. The VCERA publishes a separately audited Comprehensive Annual Financial Report. According to the criteria established in Governmental Accounting Standards Board Statement No. 39, the VCERA was determined not to be a component unit of the County of Ventura. Audited financial statements of the VCERA may be obtained at 1190 South Victoria Avenue, Suite 200, Ventura, CA 93003.

Discretely Presented Component Unit

Children and Families First Commission

The Children and Families First Commission (Commission) was established in December 1998 under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq., of the Health and Safety Code. The Commission accounts for receipts and disbursements of California Children and Families First Trust Fund allocations and appropriations to the Commission. The Commission is a discretely presented component unit as the County Board appoints all members of the Commission's governing body and can remove appointed members at will. The separate financial statements may be obtained from Children and Families First Commission, 2850 East Main Street, Suite 203, Ventura, California, 93003.

B) New Accounting Pronouncements

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, effective for periods beginning after December 15, 2004, establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly outside its normal life cycle. The County implemented the new requirements for the fiscal year 2005-06 financial statements.

GASB Statment No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for periods beginning after December 15, 2005, establishes financial reporting standards for OPEB plans. The County intends to implement the new requirements for the fiscal year 2006-07 financial statements, to the extent that they are applicable to the County of Ventura.

GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, effective for periods beginning after June 15, 2005, provides guidance on the preparation of the statistical section. The County implemented the new requirements for the fiscal year 2005-06 financial statements.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* effective for periods after December 15, 2006, provides guidance for state and local governments on the accounting and reporting of postemployment healthcare and other nonpension benefits and required disclosures. This statement requires the employer to recognize the cost of benefits in the periods when the related services are received and to provide certain plan information, such as the funding policy, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded. For most employers, annual OPEB cost will be based on actuarial valuations. The County plans to implement the new requirements for the fiscal year 2007-08 financial statements.

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation - an amendment of GASB Statement 34*, effective for periods beginning after June 15, 2005, requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. A legally enforceable enabling legislation restriction is one that a party external to a government - such as citizens, public interest groups, or the judiciary - can compel a government to honor. The County implemented the new requirements for the fiscal year 2005-06 financial statements.

GASB Statement No. 47, *Accounting for Termination Benefits*, effective for periods beginning after June 15, 2005, requires the recognition by employers of a liability and expense for voluntary termination benefits when the offer is accepted and the amount can be estimated. The County implemented the new requirements for the fiscal year 2005-06 financial statements.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues*, effective for periods beginning after December 15, 2006, establishes criteria to determine whether certain transactions constitute a sale or a collateralized borrowing resulting in a liability. The County intends to implement the new requirements for the fiscal year 2007-08 financial statements, to the extent that they are applicable to the County of Ventura. At this time, there are no significant receivables that have been sold or pledged.

C) Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. The government-wide financial statements include capital assets, long-term liabilities, depreciation, and accumulated depreciation.

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County and its discretely presented component unit. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each segment (different identifiable activities) of the business-type activities of the County. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

The internal service funds' activity is eliminated and net balances are primarily included in the governmental activities, with a lesser amount included in the business-type activities, because the internal service funds predominantly serve the governmental funds. Fiduciary funds are not reported on the government-wide financial statements. When restricted and unrestricted net assets are available, restricted resources would generally be considered to be used first, with the unrestricted resources used as they are needed.

Fund Financial Statements

The governmental fund financial statements are prepared under the modified accrual basis of accounting and

the current financial resources measurement focus. The proprietary and fiduciary fund financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus, except agency funds which have no measurement focus. They provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as non-major governmental and non-major enterprise funds.

Because the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is presented which explains the adjustments necessary to reconcile fund financial statements to the government-wide financial statements.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses, including salaries and benefits, services and supplies, and depreciation, represent the costs of providing goods and services to customers. Nonoperating expenses are those expenses such as losses from disposal of capital assets and interest expense that do not result from the principal activity of the fund but from secondary or auxiliary activities.

The County reports the following major governmental funds:

- The *General* Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, health and sanitation, public assistance, education, and debt service.

- The *Roads* Fund provides for planning, design, construction, maintenance, and administration of County roads. It also engages in traffic safety and other transportation planning activities. Revenues consist primarily of the County's share of state highway use taxes, sales taxes, and federal grants.

- The *Watershed Protection Districts (formerly Flood Control Districts)* Fund controls flood and storm waters and conserves such waters for beneficial public use. Revenues are primarily received from property taxes, aid from other governmental units, and charges for current services.

- The *Fire Protection District* Fund provides fire protection to the unincorporated areas of the County as well as the cities of Camarillo, Moorpark, Ojai, Port Hueneme, Simi Valley, and Thousand Oaks. Support is principally from property taxes and aid from other governmental units.

The County reports the following major enterprise funds:

- The *Medical Center* Fund is part of the County Health Care Agency which operates an acute care facility providing emergency room, inpatient, mental health inpatient, and, through its clinics, outpatient services to all County residents. It also provides support services to related public and mental health programs administered by the Health Care Agency. The fund provides indigent care, which is subsidized, in part, by transfers from the General Fund for such services.

- The *Department of Airports* Fund operates the County-owned general aviation facilities at the Camarillo and Oxnard airports and provides administrative, fiscal, and other support services for airport tenants and the flying public. This fund accounts for aid from other governmental units in support of aviation and also provides support services for the operation of the streets, street lighting, and storm drains at the Camarillo airport.

- The *Waterworks Districts* Fund performs necessary administrative, maintenance, and operations functions to provide uninterrupted water delivery services and sewer collection and disposal services to various communities of Ventura County. These districts include Waterworks Districts 1, 16, 17,19, Camarillo Water and Sewer, and Lake Sherwood.

The County reports the following additional funds and fund types:

- *Internal Service Funds* account for the County's fleet maintenance; engineering, construction, and maintenance services; telecommunication and information systems; general services; and self-insurance programs – workers' compensation, long-term disability, employee benefits, medical malpractice, and general insurance, on a cost-reimbursement basis.

- The *SRP Trust Fund* accounts for the assets, contributions, and benefit payments of the Supplemental Retirement Plan established January 1, 1992 under provisions of the Internal Revenue Code Section 401(a).

- The *Investment Trust Fund* (a single cash pool managed by the Treasury) accounts for the assets of legally separate entities that deposit cash with the County Treasurer. The entities include school and community college districts and special districts governed by local boards. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County follows procedures of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Detailed information about the major legal entities included in the Investment Trust Fund is provided in the Schedule of Fiduciary Net Assets and Schedule of Changes in Fiduciary Net Assets in the Supplementary Information section.

- *County Agency Funds* account for assets held for distribution by the County as an agent for various local tax entities.

D) Measurement Focus and Basis of Accounting

The government-wide, proprietary, pension and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized when the underlying transactions take place. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within six months following the end of the fiscal year. Property taxes are accrued if they are collectible within 60 days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due. General capital assets acquisitions and general principal payments are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

For its governmental activities, business-type activities, and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting of Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The County has elected to not apply the FASB standards issued subsequent to November 30, 1989 for its business-type activities and enterprise funds. The GASB periodically updates its codification of the existing governmental accounting and financial reporting standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental users.

E) Cash and Investments

For purposes of reporting cash flows, cash and investments include cash in banks and investments held by the County Treasurer in a cash management pool generally with original maturities of 90 days or less. In accordance with GASB No. 31, investments are stated at fair value. County fair value is determined annually based on market values provided by its investment custodian (Wells Fargo Bank) as of June 30, 2006. The fair value of participants' aggregate position in the pool is the same as the aggregate value of the pool shares. The participants share a ratable portion of the pool's activity and its value based on average daily balances. For SRP, investment income components (interest, dividends, and net increase or decrease in fair value) are determined at year-end as reported by the various trustees and custodians on the accrual basis.

F) Inventories

Inventories consist of expendable supplies valued at cost (principally on a first-in, first-out basis). The County uses the purchases method to record inventories as expenditures when purchased by governmental funds. Significant supplies on hand at year-end are recorded as assets with a corresponding credit to reserved fund balances to indicate that such amounts are not available for future appropriation by the governmental funds.

G) Capital Assets

Capital assets components consist of land, land improvements, structures and improvements, equipment, vehicles, construction in progress, and infrastructure. The County defines capital assets as assets with an estimated useful life in excess of one year.

The capitalization level and estimated useful lives are as follows:

Category	Capitalization Level	Useful Life	
Structures and improvements	$25,000 except $3,000 for the Medical Center, $5,000 for Airports, and $50,000 for Waterworks.	30-75	*
Betterments	$5,000 except $3,000 for the Medical Center	30-75	
Equipment	$5,000 except $3,000 for the Medical Center	2-30	
Vehicles	$5,000	2-25	
Capital leases	As above, based on category	5-40	
Infrastructure	All new construction and major renovation is capitalized; all other costs are considered maintenance and are expensed.	40-100	

* except for certain fixed equipment which may have a shorter useful life.

The County has two networks of infrastructure assets – roads and watershed protection. The roads network includes roads, bridges and traffic signals. The watershed protection network includes flood channels, debris dams, detention basins, pump stations, and rights of way.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Assets acquired from gifts or donations are valued at their estimated fair market value on the date contributed. Self-constructed assets, including structures and major software betterments, are recorded at the amount of direct labor, material and net interest costs incurred (for proprietary funds) if financed by tax-exempt borrowing. Major software and betterments are included in the equipment category.

Acquisitions of capital assets are recorded as expenditures in the governmental funds statement. Capital assets are capitalized and depreciated on the government-wide and the proprietary funds statements. Land, construction in progress and assets not used in operations are not depreciated. Other components used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lower of the capital lease period or their estimated useful lives. The County has elected the depreciation approach for infrastructure.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

H) Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)

County policy permits employees to accumulate earned but unused vacation, sick pay, and compensatory time. A liability for all vacation pay and compensatory time and 25 percent of unused accumulated sick leave for those employees with at least ten years of service is accrued when earned in the government–wide and proprietary funds financial statements. In accordance with GASB Interpretation No. 6, a liability for these amounts is reported in the governmental funds financial statements only if they have matured as a result of employee resignations and retirements prior to year-end and are paid by the County subsequent to year-end.

I) Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/ expenses. Reimbursements are repayments (adjustments to the expenditures or expenses) from the funds responsible for certain expenditures or expenses to the funds that initially paid for them. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

J) Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – DEFICIT NET ASSETS/FUND BALANCE

The *Pension Obligation Bonds* fund, a non-major debt service fund, had a deficit fund balance of $1,742,000 at June 30, 2006. Estimated recovery rates implemented in fiscal year 2005-06 were insufficient for current year debt service. It is expected that the deficit will be recovered in fiscal year 2006-07 through increased rates.

NOTE 3 – CASH AND INVESTMENTS

The County sponsors an Investment Pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the Investment Pool. The respective funds' shares of the total pool are included in the accompanying basic financial statements under the captions "Cash and investments" and "Restricted cash and investments". Cash and investments managed separately from the Investment Pool include those of the PFC, PFA, and SRP.

The Investment Pool is comprised of internal and external pool participants. The internal pool participants include the funds and component units of the reporting entity and are reported in the various County funds. The external pool participants include legally separate entities, which are not part of the sponsor's reporting entity. The external investment component of the Investment Pool is reported in the accompanying financial statements as an investment trust fund within the fiduciary funds and uses the economic resources measurement focus and accrual basis of accounting.

The County has adopted an Investment Policy Statement (IPS), which complies with the requirements of California Government Code, and serves as the basis for the type of investments, maturity limit, credit rating, and diversification of securities comprising the Investment Pool. The objectives of the IPS are safety of principal, maintenance of liquidity, and earning a competitive rate of return.

Investments permitted by the IPS include obligations of the U. S. Treasury, agencies and instrumentalities, or commercial paper rated A-1 or better by Standard and Poor's Corporation (S & P) or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase and reverse repurchase agreements, corporate notes, negotiable certificates of deposit, obligations of the State of California, and obligations of any local agency within California.

Total cash and investments at fair value as reported at June 30, 2006 are as follows (in thousands):

Governmental activities	$ 636,547
Business-type activities	60,995
Primary government	697,542
Component unit	38,691
Total government-wide	736,233
Fiduciary Funds:	
Pension trust funds	9,618
Investment trust fund	791,667
Agency funds	17,360
Total cash and investments	$ 1,554,878

Cash and investments at fair value for County funds, including those funds managed separately from the Treasury, at June 30, 2006 are summarized as follows (in thousands):

	Treasury	Fiscal Agents	SRP Pension Trust	Total
Cash:				
Cash on hand	$ 4	$ 21	$ -	$ 25
Deposits (net outstanding checks)	(3,987)	16,672	459	13,144
Total cash (net outstanding checks)	(3,983)	16,693	459	13,169
Investments:				
In Treasurer's pool	1,530,551	-	-	1,530,551
With fiscal agents	-	1,999	-	1,999
In pension portfolios	-	-	9,159	9,159
Total investments	1,530,551	1,999	9,159	1,541,709
Total cash and investments	$ 1,526,568	$ 18,692	$ 9,618	$ 1,554,878

Cash

The cash portion of "cash and investments" includes demand deposits.

At June 30, 2006, the carrying amount of the County's cash was $13,169,000, and the bank balance per various institutions was $31,190,000. Treasury cash of $(3,983,000) reflects outstanding checks of $18,021,000. Treasurer's pool investments are managed daily to maximize earnings and provide cash as needed. Of the bank balance in financial institutions, $1,151,000 is covered by federal depository insurance and $30,039,000 was uninsured. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code to collateralize the County's deposits by pledging government securities or first trust deed mortgage notes. In accordance with GC 53652, the market value of pledged securities and first trust deed mortgage notes must be at least 110 percent and 150 percent of the County's deposits respectively, as provided for in the County's Contract for Deposit of Moneys.

"Restricted cash and investments" in the amount of $5,416,000 are held in the proprietary funds and include $1,500,000 for Health Care Plan tangible net equity deposit and $120,000 for Harbor Expansion National Oceanic and Atmospheric Administration deposit. The remainder of $3,289,000 for the Medical Center, $56,000 for Channel Islands Harbor, and $451,000 for General Services internal service fund is restricted by trust agreements for debt service.

Investments–Investment Pool (Treasury)

Fair value calculations at fiscal year-end for the Investment Pool are based on market values provided by the County's investment custodian. The net change in fair value from carrying value at June 30, 2006 amounted to a decrease of $7.6 million. The net change in fair value from June 30, 2005 to June 30, 2006 was a decrease of approximately $2.6 million.

The County is not registered with the Securities and Exchange Commission as an investment company. No legally binding guarantees have been provided during the period to support the value of shares in the pool. Investment earnings are allocated based on the average daily balance in the Investment Pool for the calendar quarter. The earnings are distributed to participants twice per quarter as cash is received.

As of June 30, 2006, the major classes of the County's investments, including those managed outside the Treasury, consisted of the following (in thousands):

	Interest Rate Range	Maturity Date/Range	Cost	Fair Value	Weighted Average Maturity (Years)	Credit Rating (S & P/ Moody's)
Investments in Investment Pool						
U.S. agency securities	2.08 - 5.25	7/15/06 - 5/29/09	$1,020,653	$1,010,915	1.16	AAA, Aaa
Commercial paper	5.00 - 5.32	7/3/06 - 8/31/06	517,258	519,436	0.04	A-1, P-1
Certificates of deposit	3.65 - 3.93	7/21/06 - 5/31/07	200	200	0.49	Unrated
Total investments in Investment Pool			1,538,111	1,530,551	0.78	
Investments outside Investment Pool						
With Fiscal Agents:						
Commercial paper			1,992	1,999	0.02	A-1, P-1
Subtotal			1,992	1,999	0.02	
SRP Pension Trust:						
Bond mutual funds			1,796	1,991	7.10	Unrated
Equity mutual funds			5,514	7,168	-	Unrated
Subtotal			7,310	9,159	1.54	
Total investments outside Investment Pool			9,302	11,158		
Total fair value				$1,541,709		

The Investment Pool does not issue financial statements separate from the County's Comprehensive Annual Financial Report. The following represents a condensed statement of net assets and changes in net assets for the pool (internal and external) as of June 30, 2006 (in thousands):

	Total
Statement of Net Assets	
Net assets held for pool participants	$ 1,526,568
Equity of internal pool participants	$ 689,338
Equity of external pool participants	798,539
Equity of discretely presented component unit	38,691
Total equity	$ 1,526,568
Statement of Changes in Net Assets	
Net assets at July 1, 2005	$ 1,420,213
Increase in investment by pool participants, net	106,355
Net assets at June 30, 2006	$ 1,526,568

The Investment Pool includes both voluntary and involuntry participants for whom cash and investments are held by the County Treasurer. The total percentage share of the Investment Pool related to involuntary participants is 47 percent. Legal provisions require certain special districts to maintain surplus cash in the Investment Pool including public school districts, cemetary districts, recreation and park districts, and the Air Pollution Control District. Voluntary participants include the Superior Court of California, Ventura County.

Investments – SRP

The SRP adopts an investment policy which emphasizes safety, diversification and yield and follows the "prudent investor rule", as required by the Employment Retirement Income Security Act of 1974. Investments permitted by the policy include fixed income and equity mutual funds. Fair value calculations at fiscal year-end for the SRP are based on market values provided by the SRP's investment custodian.

Risk Disclosures

Custodial Credit Risk.

Investment Pool. Custodial credit risk is the risk that the County will not be able to recover deposits or collateral securities that are in possession of an outside party. The risk is mitigated through federal depository insurance coverage and collateralization in accordance with California Government Code Section 53652. Information about the composition of insured and uninsured deposits at June 30, 2006 is provided in the section "**Cash**".

Credit Risk

Investment Pool. State law and the IPS limit investments in commercial paper to those with the rating of A-1 or better by Standard & Poor's or P-1 by Moody's Investors Service. The County does not have credit limits on government agency securities. Certificates of deposit are required to be insured by the FDIC.

SRP. The SRP does not have a formal policy regarding credit risk. As of June 30, 2006, the SRP's investments in a money market mutual fund and bond mutual funds were unrated.

Concentration of Credit Risk

Investment Pool. State law and the IPS limit investments in commercial paper to 40 percent of the investment pool and 10 percent of the investment pool per issuer. The following is a summary of the concentration of credit risk as a percentage of the Investment Pool's fair value at June 30, 2006:

Investment	Percentage of Investment Pool
Federal Farm Credit Banks	20.35%
Federal Home Loan Banks	24.96%
Federal Home Loan Mortgage Corporation	12.43%
Federal National Mortgage Association	8.31%
AIG	9.47%
American Express	2.28%
Citigroup	8.06%
Toyota Motor Credit Corporation	5.13%
General Electric Capital Corporation	9.00%
Certificates of deposit	0.01%
Total	100.00%

SRP. Investments in mutual funds are excluded from the requirement to disclose concentration of credit risk. As of June 30, 2006, the SRP was not exposed to concentration of credit risk.

Interest Rate Risk

Investment Pool. Through its IPS, the County manages its exposure to fair value losses arising from increasing interest rates by limiting the weighted average maturity of the Investment Pool's holdings to 365 days. At June 30, 2006, the weighted average maturity of the Investment Pool was 286 days.

SRP. The SRP does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The SRP has exposure to interest rate risk by investing $1,991,000, or 22 percent, of its investments in bond mutual funds.

Foreign Currency Risk.

Investment Pool. The Investment Pool is precluded from investing in foreign currency by the IPS; therefore, it is not subject to foreign currency risk.

NOTE 4 – PROPERTY TAXES

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the State Government Codes and Revenue and Taxation Codes. Property is originally assessed at 100 percent of full cash or market value at the date of transfer or completion of construction pursuant to Article XIII(A) of the California State Constitution and statutory provisions by the County Assessor and State Board of Equalization. Annual increases are limited to 2 percent of base year values. The total fiscal year 2005-06 gross assessed valuation of the County was $87,047,353,000 (unaudited), of which $86,088,643,000 (unaudited) was the net assessed value after homeowners' exemptions.

The property tax levy to support general operations of various jurisdictions is limited to one percent of full cash value and is distributed in accordance with statutory formulas. Amounts levied each fiscal year to finance the annual requirements of voter approved debt are excluded from this limitation and are calculated and levied each fiscal year. The rates are formally adopted by either the Board or the city councils and, in some instances, the governing board of a special district.

The County is divided into approximately 2,464 tax rate areas, which are unique combinations of various jurisdictions serving a specific geographic area. In fiscal year 2005-06, the rates levied within each tax rate area varied from a low of 1.000000 to a high of 1.210200 per $100 of assessed valuation. Property taxes are levied on both real and personal property. Secured property taxes are levied July 1 and payable in two equal installments: the first is generally due November 1 and delinquent with penalties after December 10; the second is generally due on February 1 and delinquent with penalties after April 10. Unsecured property taxes become delinquent with penalties after August 31. Secured property taxes become a lien on the property on January 1 or the date on which title to the property transfers or improvements to the property are completed. Supplemental property tax assessments/refunds associated with changes in assessed valuations due to transfers of title and completed property improvements are levied in two equal installments and have variable due dates based on the date of title transfer and/or completion of the property improvements.

The County elected the alternative property tax treatment (Teeter Plan) effective July 1, 1993, whereby the County, through the Property Tax Collection Agency Fund (PTCAF), purchases the current secured unpaid taxes remaining at year-end from participating agencies. In return, the PTCAF records a tax receivable and receives the delinquent secured taxes. The PTCAF receives delinquent penalties and redemption interest accruing to delinquent collections related to participating agencies. The participating agencies, including the County, the special districts, and the school districts, in turn, receive their full tax distribution with no liability for uncollected taxes to the PTCAF. Therefore, for participating agencies, revenue is measurable and available and is recorded in the period the payment of current secured unpaid taxes is received prior to fiscal year end. The balance in the PTCAF is recorded to the General Fund for financial reporting purposes only as of fiscal year-end.

NOTE 5 – RECEIVABLES

Year-end receivables of the County's major, non-major, and proprietary funds, as well as governmental and business-type activities, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows (in thousands):

Governmental Funds	General Fund	Roads	Watershed Protection Districts	Fire Protection District	Non-major Funds	Internal Service Funds	Total Governmental Activities
Taxes	$ 905	$ -	$ 84	$ 512	$ 53	$ -	$ 1,554
Accounts	72,329	10,309	19,451	5,619	1,777	2,928	112,413
Interest	1,012	329	540	377	191	939	3,388
Total receivables	$ 74,246	$10,638	$20,075	$ 6,508	$ 2,021	$ 3,867	$ 117,355

Proprietary Funds	Medical Center	Department of Airports	Waterworks Districts	Non-major Funds	Total Enterprise Funds and Business-type Activities
Accounts	$126,541	$ 734	$ 2,532	$ 4,843	$134,650
Interest	44	34	288	93	459
Other	47	-	-	-	47
Gross receivables	126,632	768	2,820	4,936	135,156
Less: allowance for uncollectible and contractual adjustments	(91,186)	(20)	(45)	-	(91,251)
Total receivables - fund statements	35,446	748	2,775	4,936	43,905
Other - Long-term	-	117	-	130	247
Total receivables	$ 35,446	$ 865	$ 2,775	$ 5,066	$ 44,152

The balance of loans and other long-term receivables at year-end for governmental activities include loans receivable in the General and Non-major Governmental funds ($2,186,000), SB 90 revenue ($19,837,000), and the accrual of reimbursement revenue relating to the LUFT liability in the transportation fund ($300,000).

NOTE 6 – INTERFUND TRANSACTIONS

Interfund Receivables/ Payables (Short-Term):
The composition of interfund balances as of June 30, 2006 is as follows (in thousands):

Receivable Fund	Payable Fund	Amount	
General Fund	Roads Fund	$ 157	
	Watershed Protection Districts	790	
	Fire Protection District	27	
	Non-major Governmental Funds	3,068	
	Medical Center	291	
	Department of Airports	3	
	Waterworks Districts	7	
	Non-major Enterprise Funds	47	
	Internal Service Funds	108	4,498
Road Fund	General Fund	95	
	Watershed Protection Districts	270	365
Watershed Protection Districts	General Fund	375	375
Fire Protection District	General Fund	1,453	
	Watershed Protection Districts	269	1,722
Non-major Governmental Funds	General Fund	393	
	Non-major Governmental Funds	92	
	Waterworks Districts	5	
	Internal Service Funds	1	491
Medical Center	General Fund	1,230	
	Non-major Enterprise Funds	7	
	Internal Service Funds	594	1,831
Department of Airports	General Fund	10	
	Internal Service Funds	1	11
Waterworks Districts	General Fund	82	
	Fire Protection District	3	
	Non-major Governmental Funds	1	
	Department of Airports	2	
	Internal Service Funds	12	100

Non-major Enterprise Funds	General Fund	31	
	Non-major Governmental Funds	12	
	Medical Center	53	
	Internal Service Funds	9	106
Internal Service Funds	General Fund	4,884	
	Roads Fund	1,536	
	Watershed Protection Districts	2,031	
	Fire Protection District	165	
	Non-major Governmental Funds	390	
	Medical Center	897	
	Department of Airports	46	
	Waterworks Districts	510	
	Non-major Enterprise Funds	2,573	
	Internal Service Funds	577	13,609
Total Due To/ Due From			$ 23,108

The balance of $3,068,000 due to the General Fund from Non-major Governmental Funds consists principally of loans extended to funds which receive funding after the expenditures have been incurred (Department of Child Support Services and the Public Authority special revenue funds) and a receivable from the Pension Obligation Bond Fund of $2,000,000 for funds advanced to cover a shortfall due to estimated recovery rates, insufficient for current year debt service, that were implemented in fiscal year 2005-06. The shortfall is expected to be recovered in fiscal year 2006-07.

The balance of $1,453,000 due to the Fire Protection District from the General Fund is primarily the result of the year-end accrual of supplemental property taxes and interest receivable.

The balance of $1,230,000 due to the Medical Center from the General Fund is primarily attributable to accruals of Medical Center charges to General Fund departments.

The remaining interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances to/from Other Funds (in thousands):

Receivable Fund	Payable Fund		
General Fund	Medical Center	$ 16,000	
Non-major Governmental Funds	Waterworks Districts	40	
Waterworks Districts	Non-major Enterprise Funds	168	
Total Advances			$ 16,208

The General Fund extended a loan in the amount of $16,000,000 to the Medical Center in fiscal year 2005-06. The balance at June 30, 2006 was $16,000,000. Based on available information, it is not expected to be repaid by June 30, 2007.

The Piru RDA debt service fund, a non-major governmental fund, extended a loan in the amount of $100,000 to the Waterworks Districts in fiscal year 2002-03. The outstanding balance as of June 30, 2006 was $40,000.

Under an agreement between a golf course developer, the County of Ventura, and the Waterworks Districts, developer fees, which are usually collected in full prior to the provision of water services, were allowed to be paid in the form of a monthly surcharge. The Parks non-major enterprise fund records a receivable and advance from other funds, and the Waterworks Districts fund records an advance to other funds and unearned revenue. The balance at June 30, 2006 was $168,000.

Advances are included in the internal balances on the Statement of Net Assets.

Transfers

Transfers are used to move funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity (in thousands):

Transfer From	Transfer To	Amount	Purpose
General Fund	Roads Fund	$ 3	Subsidy for operating expenses
	Watershed Protection Districts	499	Subsidy for operating expenses
	Non-major Governmental Funds	11,005	Transfer funds for scheduled debt service
	Non-major Governmental Funds	950	Subsidy for operating expenses
	Non-major Governmental Funds	843	Health and welfare realignment
	Medical Center	16,726	Health and welfare realignment and tobacco settlement revenues
	Medical Center	15,198	Subsidy for operating expenses
	Medical Center	4,132	Subsidy for Santa Paula Hospital
	Non-major Enterprise Funds	787	Subsidy for operating expenses
	Non-major Enterprise Funds	428	Subsidy for capital projects
	Internal Service Funds	156	Subsidy for capital asset purchase
		50,727	
Roads Fund	Internal Service Funds	138	Subsidy for capital asset purchase
Watershed Protection Districts	General Fund	106	Subsidy for capital project
	Internal Service Funds	216	Subsidy for capital asset purchases
		322	
Fire Protection District	General Fund	250	Subsidy for helicopter purchase
	Internal Service Funds	58	Subsidy for capital asset purchase
		308	
Non-major Governmental Funds	General Fund	380	Subsidy for inmate welfare costs
	General Fund	75	Subsidy for prosecution costs
	General Fund	61	Subsidy for capital project
	Non-major Governmental Funds	8,703	Transfer funds for capital outlay
	Non-major Governmental Funds	332	Subsidy for operating costs and housing set-aside
	Non-major Governmental Funds	25	Transfer of endowment interest
		9,576	
Medical Center	General Fund	6,733	Transfer related to SB 855 revenue
	Internal Service Funds	31	Subsidy for capital asset purchase
		6,764	
Waterworks Districts	Internal Service Funds	9	Subsidy for capital asset purchase
Internal Service Funds	Internal Service Funds	10	Subsidy for capital asset purchase
Total		$ 67,854	

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006 was as follows (in thousands):

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Governmental Activities:				
Capital assets, non-depreciated:				
Land	$ 217,533	$ 482	$ 424	$ 217,591
Construction in progress	55,590	41,664	10,245	87,009
Total capital assets, non-depreciated	273,123	42,146	10,669	304,600
Capital assets, depreciated:				
Land improvements	1,305	-	-	1,305
Structures and improvements	368,616	5,339	1,829	372,126
Equipment	119,376	8,598	2,641	125,333
Vehicles	62,254	4,088	3,020	63,322
Infrastructure	372,954	8,556	-	381,510
Total capital assets, depreciated	924,505	26,581	7,490	943,596
Less accumulated depreciation for:				
Land improvements	451	60	-	511
Structures and improvements	94,893	7,985	1,250	101,628
Equipment	70,480	10,416	2,204	78,692
Vehicles	33,021	5,280	2,459	35,842
Infrastructure	75,638	3,772	-	79,410
Total accumulated depreciation	274,483	27,513	5,913	296,083
Total capital assets, depreciated, net	650,022	(932)	1,577	647,513
Governmental activities capital assets, net	$ 923,145	$ 41,214	$ 12,246	$ 952,113
Business-type Activities (Enterprise):				
Medical Center:				
Capital assets, non-depreciated:				
Land	$ 396	$ -	$ -	$ 396
Construction in progress	26,142	7,767	26,040	7,869
Total capital assets, non-depreciated	26,538	7,767	26,040	8,265
Capital assets, depreciated:				
Land improvements	1,084	-	-	1,084
Structures and improvements	41,816	25,257	-	67,073
Equipment	29,811	3,459	730	32,540
Total capital assets, depreciated	72,711	28,716	730	100,697
Less accumulated depreciation for:				
Land improvements	1,084	-	-	1,084
Structures and improvements	22,540	2,046	-	24,586
Equipment	21,167	1,904	699	22,372
Total accumulated depreciation	44,791	3,950	699	48,042
Total capital assets, depreciated, net	27,920	24,766	31	52,655
Medical Center capital assets, net	$ 54,458	$ 32,533	$ 26,071	$ 60,920

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Department of Airports:				
Capital assets, non-depreciated:				
Land	$ 8,348	$ 111	$ -	$ 8,459
Construction in progress	1,539	3,233	739	4,033
Total capital assets, non-depreciated	9,887	3,344	739	12,492
Capital assets, depreciated:				
Land improvements	29,952	1,102	136	30,918
Structures and improvements	15,089	194	37	15,246
Equipment	626	360	-	986
Vehicles	431	-	-	431
Total capital assets, depreciated	46,098	1,656	173	47,581
Less accumulated depreciation for:				
Land improvements	10,413	1,339	128	11,624
Structures and improvements	8,288	514	37	8,765
Equipment	264	43	-	307
Vehicles	376	10	-	386
Total accumulated depreciation	19,341	1,906	165	21,082
Total capital assets, depreciated, net	26,757	(250)	8	26,499
Department of Airports capital assets, net	$ 36,644	$ 3,094	$ 747	$ 38,991
Waterworks Districts:				
Capital assets, non-depreciated:				
Land	$ 2,368	$ -	$ 14	$ 2,354
Construction in progress	4,108	3,399	-	7,507
Total capital assets, non-depreciated	6,476	3,399	14	9,861
Capital assets, depreciated:				
Land improvements	1,497	-	-	1,497
Structures and improvements	68,560	284	66	68,778
Equipment	2,890	-	-	2,890
Vehicles	98	-	-	98
Total capital assets, depreciated	73,045	284	66	73,263
Less accumulated depreciation for:				
Land improvements	67	31	-	98
Structures and improvements	19,192	1,345	64	20,473
Equipment	328	153	-	481
Vehicles	42	4	-	46
Total accumulated depreciation	19,629	1,533	64	21,098
Total capital assets, depreciated, net	53,416	(1,249)	2	52,165
Waterworks Districts capital assets, net	$ 59,892	$ 2,150	$ 16	$ 62,026

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Non-major Enterprise Funds:				
Capital assets, non-depreciated:				
Land	$ 9,532	$ -	$ -	$ 9,532
Construction in progress	3,465	1,176	1,175	3,466
Total capital assets, non-depreciated	12,997	1,176	1,175	12,998
Capital assets, depreciated:				
Land improvements	4,676	4,362	-	9,038
Structures and improvements	15,161	542	412	15,291
Equipment	1,700	294	91	1,903
Vehicles	48	-	-	48
Total capital assets, depreciated	21,585	5,198	503	26,280
Less accumulated depreciation for:				
Land improvements	2,664	284	-	2,948
Structures and improvements	9,933	1,038	141	10,830
Equipment	757	168	79	846
Vehicles	1	7	-	8
Total accumulated depreciation	13,355	1,497	220	14,632
Total capital assets, depreciated, net	8,230	3,701	283	11,648
Non-Major Enterprise Funds capital assets, net	$ 21,227	$ 4,877	$ 1,458	$ 24,646
Business-type activities capital assets, net	$ 172,221	$ 42,654	$ 28,292	$ 186,583

Depreciation

Depreciation expense was charged to governmental functions as follows (in thousands):

General government:		
General administration	$ 4,001	
Property management	3	
Total general government		4,004
Public protection:		
Judicial	957	
Police protection	3,904	
Detention and correction	3,880	
Fire protection	2,714	
Watershed protection & soil & water conservation	2,375	
Protective inspection	18	
Other	583	
Total public protection		14,431
Public ways and facilities		1,521
Health and sanitation services		152
Public assistance:		
Administration	113	
Other	89	
Total public assistance		202
Education		240
Capital assets held by the internal service funds		6,963
Total depreciation expense - governmental activities		$ 27,513

Depreciation expense was charged to the business-type activities as follows (in thousands):

Medical Center	$	3,950
Department of Airports		1,906
Waterworks Districts		1,533
Parks Deparment		471
Channel Islands Harbor Expansion		820
Channel Islands Harbor		206
Total depreciation expense - Business-type activities	$	8,886

Construction in Progress and Capital Projects Commitments

Construction in progress for governmental activities represents work being performed on the Fire Communication Center Building and Project, new service buildings, infrastructure, and a number of smaller projects. Construction in progress in the business-type activities represents work being performed on the Medical Center, in the Waterworks Districts, and a number of smaller projects.

Construction in progress and capital projects commitments as of June 30, 2006 are as follows (in thousands):

	Construction in Progress	Additional Committed Funds
Governmental activities	$ 87,009	$ 37,373
Business-type activities:		
Medical Center	$ 7,869	$ -
Department of Airports	4,033	602
Waterworks Districts	7,507	2,545
Parks	2,325	-
Channel Islands Harbor Expansion	297	-
Channel Islands Harbor	844	-
Total business-type activities	$ 22,875	$ 3,147

Long-term commitments for infrastructure construction contracts totaled $31,683,000 (principally for road and watershed protection projects) at June 30, 2006.

NOTE 8 - ACCRUED LIABILITIES

Accrued liabilities at year-end of the County's major, non-major, and internal service funds in the aggregate are as follows (in thousands):

Governmental Funds	General Fund	Roads	Watershed Protection Districts	Fire Protection Districts	Non-major Funds	Internal Service Funds	Total Governmental Activities
Accrued salaries and benefits	$15,039	$ -	$ -	$ 3,026	$ 983	$2,298	$ 21,346
Audit disallowances:							
Mental Health Short Doyle	6,240	-	-	-	-	-	6,240
Other audit disallowances	3,559	-	-	-	-	-	3,559
Overpayments	1,693	-	-	-	-	-	1,693
Accrued interest on tax and revenue anticipation notes	5,832	-	-	-	-	-	5,832
Money managed for others by Public Administrator/Public Guardian	4,894	-	-	-	-	-	4,894
Property tax clearing	7,829	-	-	-	-	-	7,829
Public assistance benefits payable	2,877	-	-	-	-	-	2,877
Clearing and other liabilities	8,253	233	291	11	298	583	9,669
Total	$56,216	$ 233	$ 291	$ 3,037	$ 1,281	$2,881	$ 63,939

Proprietary Funds	Medical Center	Department of Airports	Waterworks Districts	Non-major Funds	Total Business-type Activities
Accrued salaries and benefits	$ 2,836	$ 89	$ -	$ 157	$ 3,082
Estimated Medicare disallowance	4,523	-	-	-	4,523
Channel Islands Harbor judgment	-	-	-	4,692	4,692
Clearing and other liabilities	1,051	-	359	1,165	2,575
Total	$ 8,410	$ 89	$ 359	$ 6,014	$ 14,872

NOTE 9 – LEASES

Operating Leases

The County is committed under various noncancelable operating leases (principally in the General Fund for governmental activities). Future minimum operating lease commitments are as follows (in thousands):

Year ending June 30:	Governmental Activities	Business-type Activities
2007	$ 5,243	$ 376
2008	4,718	347
2009	4,118	333
2010	3,610	287
2011	3,168	103
2012-2016	11,159	123
Total minimum payments required	$ 32,016	$ 1,569

Rental expense for County-wide operating leases was $20,146,000 for the year ended June 30, 2006. Contingent rental revenues under operating leases are based on percentages of lessee sales and totaled approximately $1,456,000 for the year ended June 30, 2006.

The Channel Islands Harbor, Parks Departrment, and Department of Airports Enterprise funds lease properties to others under operating leases with terms of up to 94 years. The following is a summary of future minimum rental revenues on noncancelable leases at June 30, 2006 (in thousands):

Year ending June 30:	Amounts:
2007	$ 4,702
2008	4,431
2009	4,007
2010	3,854
2011	3,803
2012-2016	19,101
2017-2021	15,649
2022-2026	11,764
2027-2031	9,477
2032-2036	5,931
2037-2041	4,437
2042-2046	4,009
2047-2051	1,905
2052-2056	1,105
2057-2061	722
2062-2066	721
2067-2071	721
2072-2076	721
2077-2081	722
2082-2086	721
2087-2091	721
2092-2096	721
2097-2101	505
Total	$ 100,450

Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met. There were no capital leases in the governmental activities.

The following is a schedule of property leased under capital leases by major class in the business-type activities at June 30, 2006 (in thousands):

	Business-type Activities
Structures and improvements	$ 759
Less: Accumulated amortization	685
Total net of amortization	$ 74

As of June 30, 2006, capital lease annual amortization in the business-type activities is as follows (in thousands):

Year ending June 30:	Business-type Activities
2007	$ 16
2008	15
2009	15
2010	14
2011	13
2012-2013	21
Total requirements	94
Less: amount representing interest	13
Present value of remaining payments	$ 81

NOTE 10 – LONG-TERM DEBT

Long-term obligations of the County consist of certificates of participation, tax exempt commercial paper, loans payable, pension obligation bonds, capital leases, compensated absences, and other liabilities. Capitalized lease obligations are described further in Note 9.

Certificates of participation are obligations of a public entity based on a lease agreement and are paid by lease payments from County departments/funds for use of the facilities or equipment constructed or purchased from the debt proceeds. Tax exempt commercial paper is unsecured short-term promissory notes issued with maturities ranging from two to 270 days. Pension obligation bonds provided funding for the unfunded actuarial accrued liability with respect to retirement benefits for County employees as of December 1, 1995.

Compensated absences are liabilities for vacation, vested sick leave benefits, and compensatory time reported as required by GASB Statement Nos. 16 and 34 in the proprietary fund financial statements and the governmental and business-type activities of the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured due to employee resignations and retirements. Governmental fund liabilities are typically liquidated in the General Fund and certain special revenue funds.

Other liabilities include the liability for medical malpractice insurance claims incurred but not reported (tail coverage) for General Fund health departments and the Medical Center; the Leaking Underground Fuel Tanks (LUFT) obligations for Fire Protection District, Transportation Internal Service Fund, and Department of Airports; the net pension obligation relating to the Supplemental Retirement Plan; unamortized bond premiums for the General Fund and General Services Internal Service Fund; and claims liabilities relating to the self-insurance of certain risks in the General Insurance and Employee Benefit Insurance Internal Service Funds and the Health Care Plan.

The Public Facilities Corporation (PFC) has provided five separate issues of debt securities beginning with PFC I in 1976 that was used to build the Victoria Avenue administrative complex and justice center. Completed projects included in the current issue, PFC V 1998, are acquisition of the Knoll Drive building, renovation of the 646 County Square Drive building, generator/utility replacement at the Medical Center, and refinancing of the State Loan on the Harbor fuel dock.

The Public Financing Authority (PFA) was formed in August of 1998. The tax exempt commercial paper (TECP) was used to refund PFC I and is currently used to upgrade information systems and programs including the Ventura County Integrated Justice Information System (VCIJIS), a payroll and human resources system, renovation or acquisition of facilities, acquisition of medical equipment, partial funding for the construction of the Ventura County Medical Center medical lab and kitchen, and bridge financing for the Juvenile Justice Complex including Detention Facilities and Courts.

On October 21, 2003, PFA issued $27,110,000 of 2003 Certificates of Participation (Public Financing Authority II) (COPs) at a premium of $667,000 in $5,000 denominations with interest ranging from 2.00% to 5.25% to finance the following projects: (i) Gonzales Road Regional Public Health Care Building, (ii) construction of a Juvenile Justice Complex Court Facility, and to fund a reserve fund, capitalized interest, and to pay the cost of issuance.

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Summaries of long-term indebtedness and liabilities incurred by the governmental and business-type activities, outstanding as of June 30, 2006, are as follows (in thousands):

Type of indebtedness/ liabilities	Maturity	Interest Rates	Original Issue Amount
Governmental Activities:			
Certificates of Participation/Lease Revenue Bonds:			
Public Facilities Corporation V	08/15/06-08/15/13	4.10 - 4.625%	$ 3,160
Public Financing Authority:			
General Fund	08/15/06-08/15/16	4.00 - 5.375%	48,189
General Services Agency - Facilities	08/15/06-08/15/16	4.00 - 5.375%	4,365
Public Financing Authority II	08/15/06-08/15/19	2.00 - 5.25%	27,110
Total			82,824
Tax Exempt Commercial Paper:			
Public Financing Authority:			
General Fund	Rolling	3.26 - 3.70%	34,537
Information Systems	Rolling	3.26 - 3.70%	5,763
Total			40,300
Pension Obligation Bonds	11/01/06-11/01/07	6.58 - 6.63%	154,510
Loans Payable:			
County Service Areas	11/16/06-11/16/08	6.60%	459
Redevelopment Agency - Piru (CDBG)	N/A	N/A	150
Redevelopment Agency - Piru (USDA) (Maximum Commitment of $750)	07/01/06-07/01/17	4.75%	750
Total			1,359
Compensated Absences Liability	N/A	N/A	-
Other Liabilities:			
LUFT - (Transportation)	N/A	N/A	-
LUFT - (Fire Protection District)	N/A	N/A	-
Medical malpractice (General Fund)	N/A	N/A	-
Net Pension Obligation (SRP)	N/A	N/A	-
Claims liabilities (General Insurance and Employee Benefit Insurance)	N/A	N/A	-
Unamortized bond premium (General Fund and General Services)	8/15/06-8/15/19	N/A	2,455
Total			2,455
Total Governmental Activities			$ 281,448

Outstanding July 1, 2005	Additions and Transfers	Maturities and Transfers	Outstanding June 30, 2006	Amount Due Within One Year	Type of indebtedness/ liabilities
					Governmental Activities:
					Certificates of Participation/Lease Revenue Bonds:
$ 2,135	$ -	$ 200	$ 1,935	$ 205	Public Facilities Corporation V
					Public Financing Authority:
39,993	-	4,130	35,863	4,305	General Fund
3,715	-	240	3,475	250	General Services Agency - Facilities
26,620	-	1,475	25,145	1,510	Public Financing Authority II - General Fund
72,463	-	6,045	66,418	6,270	Total
					Tax Exempt Commercial Paper:
					Public Financing Authority:
17,927	377	2,908	15,396	3,073	General Fund
1,504	-	718	786	739	Information Systems
19,431	377	3,626	16,182	3,812	Total
55,500	-	20,315	35,185	22,875	*Pension Obligation Bonds*
					Loans Payable:
130	-	30	100	31	County Service Areas
65	-	-	65	-	Redevelopment Agency - Piru (CDBG)
674	-	39	635	41	Redevelopment Agency - Piru (USDA) (Maximum Commitment $750)
869	-	69	800	72	Total
52,390	28,023	26,978	53,435	28,195	*Compensated Absences Liability*
					Other Liabilities:
614	416	387	643	343	LUFT - (Transportation)
533	42	100	475	325	LUFT - (Fire Protection District)
488	-	135	353	-	Medical malpractice (General Fund)
309	-	71	238	-	Net Pension Obligation (SRP)
76,531	22,000	16,410	82,121	33,534	Claims liabilities (General Insurance and Employee Benefit Insurance)
1,911	-	160	1,751	160	Unamortized bond premium (General Fund and General Services)
80,386	22,458	17,263	85,581	34,362	Total
$ 281,039	$ 50,858	$ 74,296	$ 257,601	$ 95,586	Total Governmental Activities

Type of indebtedness/ liabilities	Maturity	Interest Rates	Original Issue Amount
Business-type Activities - Major Funds:			
Medical Center:			
Public Facilities Corporation V	08/15/06-08/15/13	4.10 - 4.625%	$ 8,695
Public Financing Authority I	08/15/06-08/15/16	4.00 - 5.375%	23,421
Public Financing Authority/ Tax Exempt Commercial Paper	Rolling	3.26 - 3.70%	3,753
Total Medical Center			35,869
Department of Airports:			
Department of Transportation Loan	08/13/06-08/13/15	4.984%	240
Department of Transportation Loan	05/13/07-05/13/14	4.635%	260
Total Department of Airports			500
Waterworks Districts:			
State Water Loan	04/01/07-04/01/15	3.371%	260
Revolving Fund Loan (Maximum Commitment of $1,789)	06/11/07-06/11/23	2.40%	1,364
Public Financing Authority/ Tax Exempt Commercial Paper (Maximum $500,000)	Rolling	3.26 - 3.70%	130
Total Waterworks Districts			1,754
Business-type Activities - Non-major Funds:			
Parks Department:			
Capital Lease Obligation	Monthly to 02/13	4.75%	311
Channel Islands Harbor Expansion:			
Channel Islands Harbor Loan (NOAA)	06/15/07-06/23/12	5.00%	450
State Recreation Loan	Matured 08/01/05		1,225
State Recreation Loan	08/01/06-08/01/09	4.50%	4,668
Department of Boating and Waterways (Maximum Commitment of $5,000)	Paid 05/01/06		184
Total Channel Islands Harbor Expansion			6,527
Channel Islands Harbor:			
Public Facilities Corp V - Fuel Dock	08/15/06-08/15/13	4.10 - 4.625%	530
Oak View Park and Resource Center:			
Public Financing Authority/ Tax Exempt Commercial Paper	Rolling	3.26 - 3.70%	1,200
Compensated Absences Liability	N/A	N/A	-
Other Liabilities:			
LUFT (Department of Airports)	N/A	N/A	-
Claims liabilities (Health Care Plan)	N/A	N/A	-
Medical malpractice (Medical Center)	N/A	N/A	-
Unamortized Bond Premium (Medical Center)	08/15/06-08/15/19	N/A	814
Total Other Liabilities			814
Total Business-type Activities			$ 47,505

Outstanding July 1, 2005	Additions and Transfers	Maturities and Transfers	Outstanding June 30, 2006	Amount Due Within One Year	Type of indebtedness/ liabilities
					Business-type Activities - Major Funds:
					Medical Center:
$ 6,485	$ -	$ 610	$ 5,875	$ 635	Public Facilities Corporation V
19,667	-	2,000	17,667	2,080	Public Financing Authority I
2,230	1,199	618	2,811	695	Public Financing Authority/ Tax Exempt Commercial Paper
28,382	1,199	3,228	26,353	3,410	Total Medical Center
					Department of Airports:
178	-	13	165	14	Department of Transportation Loan
183	-	17	166	18	Department of Transportation Loan
361	-	30	331	32	Total Department of Airports
					Waterworks Districts:
130	-	11	119	12	State Water Loan
1,273	-	57	1,216	59	Revolving Fund Loan (Maximum commitment of $1,769)
130	259	-	389	-	Public Financing Authority/ Tax Exempt Commercial Paper (Maximum of $500,000)
1,533	259	68	1,724	71	Total Waterworks Districts
					Business-type Activities - Non-major Funds:
					Parks Department:
93	-	12	81	12	Capital Lease Obligation
					Channel Islands Harbor Expansion:
188	-	22	166	22	Channel Islands Harbor Loan (NOAA)
77	-	77	-	-	State Recreation Loan
1,467	-	268	1,199	280	State Recreation Loan
178	-	178	-	-	Department of Boating and Waterways (Maximum Commitment of $5,000)
1,910	-	545	1,365	302	Total Channel Islands Harbor Expansion
					Channel Islands Harbor:
360	-	35	325	35	Public Facilities Corporation V - Fuel Dock
					Oak View Park and Resource Center:
909	165	56	1,018	65	Public Financing Authority/ Tax Exempt Commercial Paper
4,354	3,248	2,717	4,885	3,058	*Compensated Absences Liability*
					Other Liabilities:
647	737	552	832	632	LUFT (Department of Airports)
2,921	17,991	18,198	2,714	1,074	Claims liabilities (Health Care Plan)
4,696	-	746	3,950	-	Medical malpractice (Medical Center)
428	-	38	390	39	Unamortized Bond Premium (Medical Center)
8,692	18,728	19,534	7,886	1,745	Total Other Liabilities
$ 46,594	$ 23,599	$ 26,225	$ 43,968	$ 8,730	Total Business-type Activities

As of June 30, 2006, annual debt service requirements of governmental activities to maturity are as follows (in thousands):

Year Ending June 30:	Certificates of Participation		Tax Exempt Commercial Paper		Pension Obligation Bonds		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007	$ 6,270	$ 2,830	$ 3,812	$ 582	$ 22,875	$ 1,569	$ 72	$ 37
2008	6,514	2,583	2,578	445	12,310	408	75	32
2009	6,764	2,322	2,614	353	-	-	80	28
2010	5,095	2,079	2,498	258	-	-	112	24
2011	5,305	1,874	2,244	168	-	-	49	22
2012-2016	25,120	5,996	2,417	147	-	-	281	73
2017-2021	11,350	874	19	1	-	-	131	9
Total requirements	$ 66,418	$ 18,558	$ 16,182	$ 1,954	$ 35,185	$ 1,977	$ 800	$ 225

Interest payments, lease revenue bonds, and certificate of participation retirements are serviced by revenues generated from lease payments made by the General Fund on leased facilities.

As of June 30, 2006, annual debt service requirements of business-type activities for major funds and non-major funds to maturity are as follows (in thousands):

Year Ending June 30:	MEDICAL CENTER				DEPARTMENT OF AIRPORTS		WATERWORKS DISTRICTS	
	Certificates of Participation		Tax Exempt Commercial Paper		Loans Payable		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007	$ 2,715	$ 1,047	$ 695	$ 101	$ 32	$ 16	$ 71	$ 47
2008	2,831	926	273	76	33	15	461	46
2009	2,956	798	283	66	36	12	74	29
2010	1,890	691	293	56	37	12	76	28
2011	1,975	606	164	46	40	9	78	25
2012-2016	9,525	1,576	521	162	153	19	404	97
2017-2021	1,650	43	582	63	-	-	390	49
2022-2026	-	-	-	-	-	-	170	6
Totals	$ 23,542	$ 5,687	$ 2,811	$ 570	$ 331	$ 83	$ 1,724	$ 327

	NON-MAJOR FUNDS					
Year Ending	Certificates of Participation		Tax Exempt Commercial Paper		Loans Payable	
June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2007	$ 35	$ 13	$ 65	$ 37	$ 302	$ 62
2008	35	12	66	34	321	48
2009	40	10	69	32	334	33
2010	40	9	72	29	348	19
2011	40	7	74	27	29	3
2012-2016	135	9	414	92	31	1
2017-2021	-	-	258	20	-	-
Totals	$ 325	$ 60	$ 1,018	$ 271	$ 1,365	$ 166

Legal Debt Limit

The County's legal annual debt limit as of June 30, 2006 is approximately $1,088,092,000. The County's legal debt limit is set by statute at 1.25 percent of total assessed valuation. The general obligation bonded debt per capita is $0.00, due to the payment in full of the Watershed Protection and Waterworks Funds' general obligation debt during fiscal year 2003-04. Certificates of participation, tax exempt commercial paper, pension obligation bonds, and loans payable subject to the debt limit total $149,701,000 at June 30, 2006.

Arbitrage

The Internal Revenue Code of 1986, Sections 103 and 141 through 150, restricts the amount of interest earnings an issuer of tax-exempt issuances can earn on the proceeds. The interest earnings rate cannot exceed the yield on the tax-exempt certificates of participation (COPs). The trustees have yield-restricted all investments in accordance with the trustee's agreement.

Management believes that as of June 30, 2006, there is no arbitrage liability. The activities of tax-exempt debt issues will continue to be monitored and appropriate analysis made to determine any future obligation.

Special Assessment Debt

As of June 30, 2006, special assessment bonds were outstanding in the amounts of $2,580,000 of Local Agency Revenue Bonds, 1998 Series "A", and $2,485,000 of Limited Obligation Refunding Improvement Bonds for Reassessment District No. 98-1 (Lake Sherwood). On August 26, 1998, the PFA, a joint powers authority involving the County and the Lake Sherwood Community Services District, issued the Local Agency bonds and used the proceeds to purchase the Limited Obligation Bonds from the County. The payment for the Limited Obligation Bonds was used to refund the original District 90-1 (Lake Sherwood) Bonds.

As of June 30, 2006, tax exempt commercial paper was outstanding in the amount of $1,018,000 for the Oak View School Preservation and Maintenance District (Oak View District). On August 2, 2002, the Oak View District was formed to purchase and rehabilitate the Oak View School for a community park and family resource center. The initial funding was provided by a loan from tax exempt commercial paper partially offset by grant funds. The cost of debt payments over the thirty year period and operations will be paid solely from benefit assessments.

The County acts as an agent for the property owners in collecting assessments for these districts, forwarding the collections to the bondholders, and initiating foreclosure proceedings, if appropriate. However, the County is not obligated in any manner for repayment of these special assessment bonds. The Lake Sherwood bonds are not reported in the accompanying financial statements. The County directly administers the Oak View School project and the related PFA debt; therefore, the debt, along with other PFA issued County debt, is included in the accompanying financial statements.

NOTE 11 – NET ASSETS/FUND BALANCES

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets, net of related debt, restricted, and unrestricted.

- *Invested In Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

- *Restricted Net Assets* – This category represents assets subject to external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Outstanding liabilities attributable to these assets reduce the balance of this category.

- *Unrestricted Net Assets* – This category represents net assets of the County not restricted for any project or other purpose. Outstanding liabilities attributable to these assets reduce the balance of this category.

Restricted net assets at June 30, 2006 for governmental activities are as follows (in thousands):

Restricted for:	
General government	$ 19,468
Public protection	22,002
Health and sanitation services	4,262
Public assistance	744
Education	1,576
Public ways and facilities	19,407
Total net assets restricted by grantors	$ 67,459

Included in governmental activities restricted net assets at June 30, 2006 are net assets restricted by enabling legislation of $57,311,000. For business-type activities, restricted net assets at June 30, 2006 include $1,334,000 of net assets restricted by enabling legislation.

Fund Statement - Fund Balances

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted for use for a specific purpose. Reserved fund balances at June 30, 2006 are reserved for the following purposes (in thousands):

	General Fund	Roads	Watershed Protection Districts	Fire Protection District	Non-Major Funds	Total
Reserved Fund Balances						
Encumbrances	$ 17,856	$ 20,762	$ 14,731	$ 7,427	$ 227	$ 61,003
Long-term receivables	1,396	-	-	-	790	2,186
Advances to other funds	16,000	-	-	-	40	16,040
Imprest cash funds	697	-	-	-	5	702
Inventory	-	-	-	936	35	971
Debt service	-	-	-	-	6,029	6,029
Other legal restrictions	27,233	-	-	-	1,133	28,366
General reserve	8,000	-	-	-	23	8,023
Total reserved fund balances	$ 71,182	$ 20,762	$ 14,731	$ 8,363	$ 8,282	$ 123,320

- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received.
- *Long-term receivables* – to reflect the amount of advances and loans that are long-term in nature and have not been deferred. Such amounts do not represent available spendable resources.
- *Imprest cash* - to reflect the portion of assets set aside for the purpose of minor disbursements or disbursements for a specific purpose.
- *Inventories* – to reflect the portion of assets which do not represent available spendable resources.
- *Debt service* – to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest. These funds are not available for general operations.
- *Other legal restrictions* – to reflect the portion of assets subject to externally imposed restrictions. Such amounts are not available for general operations.
- *General reserve* - to reflect the funds established for legally declared emergencies. Such reserves may be released only to meet emergencies as defined in Government Code Section 29127.

In the fund financial statements, governmental funds report unreserved fund balances which include Board approved unreserved designated fund balances and the unreserved undesignated fund balance. Unreserved fund balances at June 30, 2006 are as follows: (in thousands):

	General Fund	Roads	Watershed Protection Districts	Fire Protection District	Non-Major Funds	Total
Designated Fund Balances						
Contingency	$ 5,000	$ -	$ -	$ -	$ -	$ 5,000
Other post employment benefits	3,000	-	-	-	-	$ 3,000
District Attorney contingency	500	-	-	-	-	500
Litigation	49	-	233	-	-	282
Unmet transit needs	-	300	-	-	-	300
Capital asset acquisition and replacement	-	-	-	5,061	82	5,143
Low and moderate housing	-	-	-	-	519	519
Future watershed protection projects	-	-	2,900	-	-	2,900
Future year financing	69,476	6,781	27,061	12,885	4,107	120,310
Total designated balances	78,025	7,081	30,194	17,946	4,708	137,954
Undesignated Fund Balances	27,291	17,086	21,581	15,123	12,020	93,101
Total unreserved fund balances	$105,316	$ 24,167	$ 51,775	$ 33,069	$ 16,728	$ 231,055

The Board has established certain fund balances designated for future purposes that represent tentative management plans that are subject to change. Some of the designations are held for a short time preliminary to special use. Other designations are set aside for longer periods for use in the future, whether for emergency, planned usage or savings. GASB 34 requires these designated balances to be included in the unreserved fund balance because the Board may elect to make the designations available. The General Fund designation for future year financing includes $15.7 million for Tobacco Settlement health purposes.

The unreserved undesignated fund balances are considered available for appropriation. Some of the amounts available are held in County "trust funds" and as required by GASB 34 are recognized as revenue, deferred revenue or liabilities. However, for budgetary purposes, most of these trust balances may be included in subsequent years' budgets.

NOTE 12 – PENSION PLANS

VCERA Plan

(a) Plan Description

The County has a contributory defined benefit plan (Plan) established pursuant to Government Code Sections 31450 through 31899 and administered by the VCERA. VCERA operates a cost-sharing, multiple-employer system with substantially all member employers included in the County's primary government reporting entity. Covered employees include those from Courts, Air Pollution Control District and other smaller special districts. Due to the relative insignificance of the non-County employers participating in the plan, the County has elected to include financial statement disclosures required for a single-employer plan. Membership in the VCERA is mandatory for all regular employees who are scheduled to work 64 hours or more biweekly.

VCERA is governed by the Board of Retirement. The Plan's benefit provisions and contribution requirements are established by state law and resolutions and ordinances adopted by the Board of Retirement and Board of Supervisors. VCERA issues an independently audited Comprehensive Annual Financial Report. A copy of this report can be obtained by contacting the Retirement Association at 1190 South Victoria Avenue, Suite 200, Ventura, California, 93003.

Plan members are classified as either General or Safety. General members employed prior to or on June 29, 1979 and certain other employees before June 30, 2002 are designated as Tier I members. General members employed after June 29, 1979 are designated as Tier II members. All Safety members are classified as Tier I regardless of date of hire and primarily include eligible Sheriff's Department, Fire Department, District Attorney, and Probation employees.

(b) Retirement Benefits

A General or Safety member with 10 or more years of County service is entitled to an annual retirement allowance beginning at age 50. General members with 30 or more years of service and Safety members with 20 or more years of service may begin receiving a retirement allowance regardless of age. The basic retirement allowance is based upon the member's age, years of retirement service credit, and final average compensation.

Employees terminating before accruing five years of retirement service credit (five-year vesting) forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning five years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. In addition, certain death, disability, and supplemental benefits are provided to eligible employees. Cost of living adjustments of up to three percent per annum are made for all Tier 1 employees.

(c) Actuarially Determined Contribution Requirements

The funding policy provides for periodic employer and employee contributions at actuarially determined rates, expressed as level percentages of annual covered payroll, that are sufficient to accumulate the required assets to pay benefits when due. The smoothing of market value method is used to determine the actuarial value of assets. In accordance with various employee collective bargaining agreements, the County subsidizes the employees' regular contributions in various amounts, depending on the classification of the employee. Contribution rates for employees range from 5.35 percent to 11.50 percent of retirement compensation base. Contribution rates are determined using the "entry age normal cost" method. Under this method, normal cost is the level amount that would fund the projected benefit if it was paid annually from the date of employment until retirement.

Employer and employee contribution rates in effect during fiscal year 2005-06 were based on the actuarial valuation performed as of June 30, 2004. The significant actuarial assumptions in the June 30, 2004 actuarial valuation are summarized as follows:

	Assumptions
• Rate of return on investment	8.00%
• Projected salary increases	5.00%
Amount attributable to inflation	4.00%
Amount attributable to seniority and merit	0.75%
Amount attributable to real "across the board"	0.25%
• Annual cost of living increases after retirement (Tier 1 and Safety members only - tied to Consumer Price Index change)	0.00-3.00%

(d) Contributions and Transfers Made

As a condition of participation, employees are required to contribute a percentage of their annual compensation to the Plan. The balance of member contributions, General and Safety, on deposit at June 30, 2006, was $400,315,000. The County's contribution to the Plan, based on actuarially determined percentages of payroll costs, together with employees' contributions, are intended to provide the defined benefits of the Plan. The balance of employer contributions on deposit at June 30, 2006 were $251,295,000.

Actuarially determined employer contributions of $10,071,000 were made in 2003-04, $51,792,000 in 2004-05, and $74,373,000 in 2005-06. These contributions represent 100 percent of the annual pension cost required for fiscal years 2004, 2005, and 2006. Therefore, in accordance with GASB Statement No. 27, there is no net pension obligation for fiscal years 2004, 2005, and 2006.

The County also made other employer contributions. Payments were made on behalf of employees as a result of employer-employee negotiations for fiscal years 2003-04, 2004-05, and 2005-06, in the amounts of $5,637,000, $6,644,000, and $7,311,000, respectively. The negotiated amounts are credited to the County Advance Reserves of VCERA and do not vest with the employee.

The employees contributed $12,022,000, including $1,795,000 for purchase of service credits in fiscal year 2005-06. In addition, the County contributed $19,518,000 on behalf of the employees as a "pickup" of employee contributions as a result of the employer-employee negotiations. This was credited to the individual employee accounts.

(e) Supplementary Information (Unaudited)

The supplemental schedule of funding progress for the three most recent actuarial valuations is as follows (in thousands):

	Actuarial Valuation June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	AAL as a Percentage of Covered Payroll ((b-a)/c)
*	2003	$ 2,057,493	$ 2,202,018	$ 144,525	93.44%	$ 455,789	31.71%
**	2004	$ 2,070,533	$ 2,393,997	$ 323,464	86.49%	$ 475,935	67.96%
	2005	$ 2,216,229	$ 2,584,905	$ 368,676	85.74%	$ 478,053	77.12%

* After change in interest assumption.

** After change in inflation assumption.

Source: Ventura County Employees' Retirement Association Comprehensive Annual Financial Report as of and for the year ended June 30, 2005.

Supplemental Retirement Plan

(a) Plan Description

The SRP is a single employer contributory defined benefit pension plan governed by the Board of Supervisors and provisions of Internal Revenue Code Section 401. The SRP was adopted on January 1, 1992 and amended on the following dates: August 31, 1993, April 2001, June 8, 2004, and May 17, 2005. SRP is comprised of three parts as follows:

- Part B - Safe Harbor. This plan was adopted on January 1, 1992 and provides benefits to County employees whose employment with the County does not otherwise entitle them to retirement benefits under the County's 1937 Act Retirement Plan or the Social Security Act and is in compliance with the Omnibus Budget Reconciliation Act of 1990. Eligible employees are vested upon enrollment.
- Part C - Early Retirement Incentive. This plan was adopted effective on January 1, 1992 and provides early retirement benefits to County employees pursuant to periodic early retirement incentive programs adopted by the County and is a tax qualified pension plan under Internal Revenue Code Section 401(a).
- Part D - Elected Department Head. This plan was adopted by the Board of Supervisors effective on December 1, 2000 and provides a supplemental retirement benefit to the County's elected department heads for retirement parity with appointed agency/department heads. The plan was amended on June 8, 2004, limiting eligible participants to those employees in an elected department head position between December 1, 2000 and June 8, 2004.

The plan year of the SRP is the County's fiscal year. A separate financial statement is not issued by SRP. The schedule of funding progress and schedule of employer contributions are included in the Required Supplementary Information section of this report. The actuarial covered payroll for all employees covered by SRP for the fiscal year ended June 30, 2006 was $11,762,000 and $1,026,000 for Parts B and D, respectively, based on the actuarial valuation report as of June 30, 2006. In lieu of separately issued financial statements for the SRP, condensed financial statements are presented below (in thousands):

Statement of Fiduciary Net Assets

Cash and other current assets	$ 9,620
Amount receivable from other governmental agencies	238
Total assets	9,858
Accounts Payable	16
Amount payable to other governmental agencies	7
Total liabilities	23
Net assets held in trust for pension benefits	$ 9,835

Statement of Changes in Fiduciary Net Assets

Total additions	$ 1,388
Total deductions	582
Change in net assets	806
Net assets - beginning	9,029
Net assets - ending	$ 9,835

Plan participants at June 30, 2006 were as follows:

Participant Classification	Number of Participants
Retirees and beneficiaries currently receiving benefits:	
Supplemental retirement participants (Safe Harbor)	81
Early retirement participants (Early Retirement Incentive Plan)	41
Elected department head participants	4
Current employees participants:	
Supplemental retirement participants (Safe Harbor)	615
Elected department head participants	6
Terminated participants not yet receiving benefits:	
Supplemental retirement participants (Safe Harbor)	8,124
Total	8,871

(b) Basis of Accounting

The accompanying financial statements were prepared on the accrual basis. Investment income is recognized when earned, and investment and administrative expenses are recorded when incurred. Employee and employer contributions are recognized as revenues in the period in which employee services are performed and are due under the terms of the plan. Benefit payments and participant refunds are recognized when due and payable in accordance with the terms of the Plan.

(c) Benefits

- Part B - Safe Harbor. The participant's monthly benefit or lump sum benefit is based on the total amount of compensation for the period of the participant's benefit accrual service for the last 30 years of participation. The participant is entitled to the benefit at the later of age 65 or the termination of employment. The benefit will be payable as a single life annuity or, if the actuarial present value of the accrued benefit is not more than $5,000, a one-time lump sum amount will be paid in lieu of the monthly benefit. If the participant dies before retirement benefits begin, the participant's beneficiary will be entitled to receive a lump-sum death benefit payment. In May 2005, the plan was amended to allow participants to receive an actuarially reduced benefit beginning at age 50, if terminated from County employment. Also in May 2005, the plan was amended to allow participants, upon retirement, to elect a joint and survivor annuity option in which the annuity benefit will continue to the surviving spouse upon the death of the retiree.
- Part C - Early Retirement Incentive. The benefit is a monthly retirement benefit payable to the participant for life. Upon the death of the participant, the monthly retirement benefit shall be paid to the participant's surviving spouse, if any, for life.
- Part D - Elected Department Head. The benefit is a supplemental monthly retirement benefit payable to the participant for life. Upon the death of the participant, the monthly retirement benefit shall be paid to the surviving spouse for life, depending on the retirement payment option selected.

(d) Actuarially Determined Contribution Requirement

The funding policy provides for periodic employer and employee contributions at actuarially determined rates expressed as percentages of annual covered payroll that are sufficient to accumulate the required assets to pay benefits when due. The schedule of employer contributions and assumptions used in the actuarial valuation report as of June 30, 2006 are presented in the Required Supplementary Information section of this report.

(e) Contributions, Annual Pension Cost, and Net Pension Obligation

- Part B - Safe Harbor. Each participant contributes three percent of compensation to the plan on a pre-tax basis. Employee contributions cease upon attainment of 30 years of Benefit Accrual Service. The balance of participant contributions at fair value on deposit at June 30, 2006 was $6,235,000.
- Part C - Early Retirement Incentive. This benefit is funded solely by employer contributions.
- Part D - Elected Department Heads. This benefit is funded solely by employer contributions.

A schedule of annual pension cost, percent of annual pension cost contributed, and net pension obligation for the current and preceding two fiscal years is presented below for Parts B, C, and D (in thousands):

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percent of APC Contributed	Net Pension Obligation	Part
2004	$ 240	100%	$ 245	B
2005	$ 209	100%	$ 244	B
2006	$ 110	100%	$ 171	B
2004	$ 22	100%	$ 22	C
2005	$ 35	100%	$ 36	C
2006	$ 35	100%	$ 38	C
2004	$ 155	100%	$ 27	D
2005	$ 151	100%	$ 29	D
2006	$ 147	100%	$ 29	D

For 2005-06, the annual pension cost for Parts B, C, and D consists of the annual required contribution plus interest on the net pension obligation less the adjustment to the annual required contribution as presented below (in thousands):

	Part B	Part C	Part D
Annual required contribution	$ 124	$ 37	$ 148
Interest on the net pension obligation	20	3	2
Adjustment to the annual required contribution	(34)	(5)	(3)
Annual pension cost	110	35	147
Contributions made	(183)	(33)	(147)
Increase (decrease) in net pension obligation	(73)	2	-
Net pension obligation, beginning	244	36	29
Net pension obligation, ending	$ 171	$ 38	$ 29

The combined annual employer contribution for all parts in 2003-04 and 2004-05 was $296,000 and $380,000, respectively. The combined net pension obligation in 2003-04, 2004-05, and 2005-06 displayed in the previous page was accrued and reported as a liability of governmental activities in the Statement of Net Assets and employer contributions receivable of the SRP in the Statement of Fiduciary Net Assets. Annual pension cost including interest on the net pension obligation and an adjustment to the annual required contribution was reported for the same fiscal years in the Statement of Changes in Fiduciary Net Assets. Therefore, the annual pension cost is deemed 100 percent contributed.

Net assets held in trust for pension benefits included total employer contributions of $3,600,000 for all parts and employee contributions of $6,235,000 for Part B. The fair value of the SRP investment portfolio increased by $811,000 in fiscal year 2005-06. Total deductions of $582,000 included benefit payments and administrative costs.

(f) Administrative Expenses

The costs of administration of the Plan shall be paid from the Plan, as long as the expenses are considered reasonable by the Plan Administrator. Such expenses shall include, but are not limited to, expenses for professional, legal, accounting, actuarial, and investment services. Administrative expenses for fiscal year 2005-06 totaled $235,000.

Management Retiree Health Payment

On June 8, 1999, the Board adopted a new benefit for management employees. Employees who retired after July 1, 1999 became eligible to receive one year of payments for five years of service, up to a maximum of five years of coverage. Payments of approximately $458 per month were equivalent to premiums for the Ventura County Health Care Plan. Total payments in fiscal year 2005-06 were $985,000. The payments do not constitute any guarantee of medical care benefits. On June 21, 2005, the Board of Supervisors approved the elimination of this benefit for employees hired after July 2, 2005.

NOTE 13 - TAX AND REVENUE ANTICIPATION NOTES PAYABLE

On July 1, 2005, the County issued $145,000,000 in Tax and Revenue Anticipation Notes (Notes) at a 4.00 percent interest rate, priced to yield 2.54 percent, to meet current year cash flow requirements for operational needs. At June 30, 2006, the outstanding principal was $145,000,000. Principal and interest for fiscal year 2005-06 was paid on July 3, 2006, the maturity date of these notes.

The Notes, in accordance with California law, are general obligations of the County and are payable from fiscal year 2005-06 taxes and other revenues, which are legally available for payment thereof.

The summary of the notes transactions for the fiscal year ended June 30, 2006 is as follows (in thousands):

Beginning Balance June 30, 2005	Additions	Reductions	Ending Balance June 30, 2006	Due Within One Year
$145,000	$145,000	$145,000	$145,000	$145,000

NOTE 14 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; hospital liability (malpractice); errors and omissions; theft of, damage to, and destruction of assets; and natural disasters for which the government is either self-insured, commercially insured, or a combination of both.

The Human Resources Department acquired commercial insurance for primary group medical and long-term disability insurance. Unemployment insurance benefits are self-insured and administered by the Human Resources Department within the Employee Benefits Insurance Internal Service Fund. Professional Firefighters and Deputy Sheriffs Associations also administer commercial group medical insurance plans available for their members.

The Ventura County Health Care Plan (VCHCP), administered by the Health Care Agency, provides a County self-insured medical plan for County employees. In addition, a separate self-insured plan is offered to certain other County employees and to related clinic employees through their employers. A state Healthy Families plan is also available from VCHCP. Excess commercial coverage is also purchased for VCHCP.

The Risk Management Department within the General Insurance Internal Service Fund administers the commercial and self-insurance aspects of the County's casualty risk programs. General liability is self-insured to $500,000 per occurrence, thereafter, covered by excess commercial liability insurance up to $31 million per occurrence, then self-insured to an unlimited amount. In October 2004, the County joined CSAC Excess Insurance Authority, a joint powers authority, for property and eathquake coverage. The Authority was formed in 1979 by and for California counties and currently has 54 participating counties. The Authority is governed by a Board of Directors composed of one director from each member county appointed by each member county's Board of Supervisors. The Authority annually issues an audited Comprehensive Annual Financial Report. Through participation in the Authority, risk is pooled (shared) among the pool participants. Accordingly, the premiums are reported as insurance expenses in the General Liability Internal Service Fund as required by GASB Statement No. 10 - *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

Medical malpractice liability insurance provides deductibles of $100,000 per claim and provides liability coverage on a claims made basis up to $50 million per incident. Medical malpractice claims made coverage includes a retroactive date of October 1, 1986. Tail coverage prior to October 1, 1986 is self-insured. In March 2004, the County participated in the BETA Healthcare Group, a joint powers authority, for the purpose of purchasing medical malpractice insurance. This risk-sharing pool program, established as a cost effective alternative to the commercial insurance market, is structured like a traditional insurer in that members are not assessed for excess pool losses. Coverage was renewed in July 2006.

Workers' compensation occurrences are self-insured effective July 1, 2002 with coverage for all employees. Injuries occurring from July 1, 1995 to June 30, 2002 are fully covered by the prior commercial insurer without a maximum. Injuries occuring prior to July 1, 1995 were originally self-insured, and since April 1997, adjusted and funded through a loss portfolio policy with limits of liability of $22.8 million. The limit of liability is expected to be exceeded in October 2006. Discussions with the commercial insurance carrier are underway regarding the future liability of these claims.

The unpaid claims liabilities included in the self-insurance fund are based on actuarial studies and include amounts for claims incurred but not reported including loss adjustment expenses. Beginning with fiscal year 1994-95, the General Insurance liabilities were discounted at 5.5 percent. The revenue received, including interest, and contribution funded liabilities, and net assets are sufficient to meet liabilities as they come due.

Changes in the balances of claims liabilities of General Insurance and Employee Benefits Internal Service Funds and Health Care Plan Enterprise Fund and medical malpractice liability of the Medical Center during fiscal years 2004-05 and 2005-06 are as follows (in thousands):

	Claims Fiscal Year		Medical Malpractice Fiscal Year	
	2004-05	2005-06	2004-05	2005-06
Liabilities, beginning	$ 64,692	$ 79,452	$ 4,684	$ 4,696
Incurred losses and adjustments	47,429	39,991	12	(746)
Claim payments	(32,669)	(34,608)	-	-
Liabilities, ending	$ 79,452	$ 84,835	$ 4,696	$ 3,950

Medical malpractice liability for public and mental health functions in the General fund of $353,000, a decrease of $135,000 from the prior year, is reported in the governmental activities portion of the government-wide financial statements.

NOTE 15 – CONTINGENCIES

Channel Islands Harbor

Channel Islands Harbor Marina, Inc. (CIM) sued the County of Ventura (County) in July 2003 for breach of contract and for inverse condemnation, seeking compensation for its improvements at the marina in Channel Islands Harbor. CIM alleged that the County interfered with its obtaining permits to remove the improvements at the end of the Ground Lease term and that it had a right under the Ground Lease to be compensated for the improvements or to remove them. CIM sought $3,500,000 in damages plus interest at the legal rate, attorney's fees, and costs.

The damage phase of the trial was completed in May 2005. Damages in the amount of $3,500,000 were awarded to CIM against the County along with interest and reimbursement of attorney fees. A liability of $4,423,000 was reported in the Channel Islands Harbor Fund in 2004-05, adjusted in 2005-06 to $4,692,000, including accrued interest at 3.25 percent.

Bordier's Nursery

Bordier's Nursery owns real property adjacent to the County's recently realigned Moorpark Road. Bordier's lawsuit alleged that the County has a mandatory duty to remove Knoll A on its property because the County imposed its removal as an environmental mitigation measure in the approval of the Moorpark Road Realignment Project. The County's position is that the Project was subsequently modified, and there is no longer a duty to remove Knoll A. The trial was held on November 14, 2005, resulting in a ruling that the County must remove Knoll A. On March 27, 2006, the County and Bordier's entered into a settlement agreement in which the County agreed to pay Bordier's $1,050,000 and Bordier's agreed to remove Knoll A. The County Road Fund paid the first installment in the amount of $787,500 on March 29, 2006. Pursuant to an agreement in September 2006 to extend the compliance date set forth in the March 2006 agreement, the second and final installment of $262,500 is payable by December 31, 2006, providing Bordier's has satisfied its obligation to level Knoll A and replace top soil over the ten acres at the location where Knoll A existed.

Ladd and Associates (Ladd)
Ladd is the general contractor for a Watershed Protection District project to construct the Lang Creek Debris and Detention Basins in the City of Thousand Oaks. Ladd has filed a complaint in arbitration against the District alleging changed conditions and misrepresentation and omissions in the plans and specifications with respect to the soils condition and design affecting the excavation and concrete structures required for the project. The arbitration hearing was conducted in March and April 2006. The arbitrator's preliminary decision is to award $2,924,000 to Ladd. The District is likely to seek judicial review of the final decision. The outcome cannot be predicted at this time.

La Conchita Claims
On January 10, 2005, the privately owned hillside above the community of La Conchita collapsed, following a series of powerful Pacific storms, producing a massive mud and debris slide that killed ten people, destroyed ten homes, and damaged several other homes. The County has received 150 tort claims,based on this incident. Following denial of the claims, numerous lawsuits were filed seeking damages for wrongful death, property damage, and diminution of property value, based on a number of legal theories including negligence, failure to warn, and dangerous condition of public property. Substantial discovery has occurred; however, no trial date has been set, and the outcome cannot be predicted at this time.

Grants
The County recognizes as revenue grant monies received as reimbursement for costs incurred in certain federal and state programs it administers. The County's grant programs have been audited through June 30, 2005 under the requirements of the Single Audit Act and OMB Circular A-133. Such programs are generally subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant or in reductions of future grant monies. A designation for contingencies in the amount of $5,000,000 is established in the General Fund for this possibility. Based on prior experience, management believes that grant costs ultimately disallowed, if any, would not materially affect the financial condition of the County.

Other
Legal proceedings normally occur related to construction projects and are subject to arbitration by agreement. Claims are negotiated by the County of Ventura. In the opinion of management, current claims are not likely to have a material adverse impact on the County financial statements and accordingly no provision for losses has been recorded.

NOTE 16 – SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes
On July 3, 2006, the County issued $145,000,000 of 4.50 percent fixed-rate, priced to yield 3.70 percent, tax and revenue anticipation notes. The notes received SP-1+ and MIG1 ratings from Standard and Poor's Corporation (S & P) and Moody's Investors Services (Moody's), respectively. Proceeds from the notes will be used to meet fiscal year 2006-07 expenditures including capital expenditures and the discharge of other obligations of the County. The maturity date of the notes is July 2, 2007.

Santa Paula Hospital

The County purchased the assets of the former Santa Paula Memorial Hospital in September 2005 for $2,750,000, including approximately 13.5 acres of land, buildings, and personal property. Renovations totaling about $5 million were completed during fiscal year 2005-06. Following the inspection and approval by the California Department of Health Services, the hospital reopened July 13, 2006 as a part of the Ventura County Medical Center, serving the areas of Santa Paula, Fillmore, and Piru.

Ventura County Employees' Retirement Association (VCERA)

On July 1, 2003, a lawsuit was filed against VCERA by George Mathews, individually and, as subsequently ordered by the court, as a class representative for all past, present, or future members of the VCERA, claiming that the VCERA Board of Trustees had a fiduciary duty to use the excess earnings of the retirement system to provide additional benefits and not to reduce the County's annual employer contributions. In December 2005, the Ventura County Superior Court ruled in favor of the County and VCERA, finding that there was no breach of fiduciary duty by VCERA and that VCERA's and County's actions with regard to surplus earnings were proper. George Mathews filed a notice of appeal of the trial court's ruling. The appeal was abandoned by Mathews on or about October 2, 2006, in exchange for the County's agreement to waive the County's costs and to indemnify Mathews for costs recoverable by VCERA, with all parties bearing their own attorney fees. Approval of this agreement by the Ventura Superior Court will be sought. If granted, the Superior Court judgment for VCERA and the County will become final and binding.

Required Supplementary Information (Other than MD & A)

(Unaudited)

SUPPLEMENTAL RETIREMENT PLAN

Schedule of Funding Progress
(In Thousands)

(1)	Actuarial Valuation	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (b- a) (b- a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll ((b-a)/c)
B	6/30/2001	$ 6,516	$ 5,875	$ (641)	110.9%	$ 10,015	-6.4%
B	6/30/2002	$ 5,876	$ 6,622	$ 746	88.7%	$ 9,805	7.6%
B	6/30/2003	$ 6,026	$ 7,398	$ 1,372	81.5%	$ 10,197	13.5%
B	6/30/2004	$ 7,041	$ 8,036	$ 995	87.6%	$ 11,206	8.9%
B	6/30/2005	$ 7,812	$ 8,321	$ 509	93.9%	$ 11,654	4.4%
B	6/30/2006	$ 8,602	$ 10,222	$ 1,620	84.2%	$ 11,762	13.8%
C	6/30/2001	$ 718	$ 693	$ (25)	103.6%	N/A	N/A
C	6/30/2002	$ 568	$ 672	$ 104	84.5%	N/A	N/A
C	6/30/2003	$ 501	$ 658	$ 157	76.1%	N/A	N/A
C	6/30/2004	$ 427	$ 676	$ 249	63.2%	N/A	N/A
C	6/30/2005	$ 403	$ 660	$ 257	61.1%	N/A	N/A
C	6/30/2006	$ 393	$ 639	$ 246	61.5%	N/A	N/A
D	6/30/2001	$ 185	$ 993	$ 808	18.6%	$ 789	102.4%
D	6/30/2002	$ 251	$ 1,395	$ 1,144	18.0%	$ 919	124.5%
D	6/30/2003	$ 306	$ 1,458	$ 1,152	21.0%	$ 956	120.5%
D	6/30/2004	$ 412	$ 1,550	$ 1,138	26.6%	$ 926	122.9%
D	6/30/2005	$ 504	$ 1,602	$ 1,098	31.5%	$ 962	114.1%
D	6/30/2006	$ 602	$ 1,642	$ 1,040	36.7%	$ 1,026	101.4%

(1) Part B (Safe Harbor), Part C (Early Retirement Incentive Plan), Part D (Elected Department Head)

SUPPLEMENTAL RETIREMENT PLAN

Schedule of Employer Contributions
(In Thousands)

(1)	Fiscal Year Ending June 30	Annual Required Contribution	Percentage Contributed
B	2001	$ -	0%
B	2002	$ -	0%
B	2003	$ 139	0%
B	2004	$ 248	97%
B	2005	$ 223	94%
B	2006	$ 124	89%
C	2001	$ -	0%
C	2002	$ -	0%
C	2003	$ 14	0%
C	2004	$ 23	96%
C	2005	$ 36	97%
C	2006	$ 37	95%
D	2001	$ 128	100%
D	2002	$ 117	109%
D	2003	$ 148	79%
D	2004	$ 155	100%
D	2005	$ 152	99%
D	2006	$ 148	99%

(1) Part B (Safe Harbor), Part C (Early Retirement Incentive Plan), Part D (Elected Department Head)

COUNTY OF VENTURA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SUPPLEMENTAL RETIREMENT PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

The information presented in the preceding Schedule of Funding Progress and Schedule of Employer Contributions was based on the actuarial valuation on the date indicated below.

Additional information as of the latest actuarial valuation is as follows:

Valuation Date:	June 30, 2006
Actuarial cost method:	Unit Credit Cost for Parts B and C Entry Age Normal for Part D
Amortization method:	Level Dollar for Parts B and C Level Percentage of Pay for Part D
Remaining amortization period:	10 years
Asset valuation method:	Fair value
Actuarial assumptions:	
Investment rate of return	8% net of expense
Projected salary increases	4% for Parts B and D; not applicable for Part C
Inflation rate	3% for Parts B, C, and D
Cost of living adjustments	3% for Part D; none for Parts B and C
Mortality	RP-2000 Combined Health Mortality Table for Parts B, C, and D

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	TOTAL GENERAL FUND			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Taxes	$ 214,593	$ 232,223	$ 231,861	$ (362)
Licenses, permits, and franchises	16,349	16,454	17,583	1,129
Fines, forfeitures, and penalties	18,750	18,869	12,700	(6,169)
Revenue from use of money and property	5,814	5,815	6,676	861
Aid from other governmental units	348,572	371,231	351,796	(19,435)
Charges for services	130,455	133,460	125,685	(7,775)
Other	27,909	27,784	26,842	(942)
Amount available for appropriation	762,442	805,836	773,143	(32,693)
Charges to appropriations (outflows):				
General government:				
Salaries and benefits	42,698	34,850	33,512	1,338
Services and supplies	42,578	36,784	27,969	8,815
Other charges	24,967	24,967	7,022	17,945
Contingencies	2,000	1,082	-	1,082
Total general government	112,243	97,683	68,503	29,180
Public protection:				
Salaries and benefits	247,816	257,152	254,270	2,882
Services and supplies	74,797	81,022	76,498	4,524
Other charges	18,260	19,936	16,633	3,303
Total public protection	340,873	358,110	347,401	10,709
Health and sanitation services:				
Salaries and benefits	66,847	66,312	63,620	2,692
Services and supplies	41,852	48,398	44,472	3,926
Other charges	3,786	3,256	3,255	1
Total health and sanitation services	112,485	117,966	111,347	6,619
Public assistance:				
Salaries and benefits	67,028	66,114	66,093	21
Services and supplies	34,781	37,643	36,664	979
Other charges	62,072	63,122	62,770	352
Total public assistance	163,881	166,879	165,527	1,352
Education:				
Salaries and benefits	503	600	592	8
Services and supplies	195	198	186	12
Total education	698	798	778	20
Capital outlay	5,947	32,123	15,695	16,428
Debt service:				
Principal retirement	8,228	-	-	-
Interest and fiscal charges	9,866	7,113	6,026	1,087
Total charges to appropriation	754,221	780,672	715,277	65,395
Excess of revenues over expenditures	8,221	25,164	57,866	32,702
Other financing sources (uses):				
Proceeds from sale of capital assets	1,050	2,450	2,450	-
Transfers in	26,264	26,329	7,605	(18,724)
Transfers out	(33,448)	(51,096)	(50,727)	369
Total other financing sources (uses)	(6,134)	(22,317)	(40,672)	(18,355)
Excess of revenues and other financing sources over expenditures and other financing uses	2,087	2,847	17,194	14,347
Fund balances - beginning	153,013	153,013	153,013	-
Fund balances - ending	$ 155,100	$ 155,860	$ 170,207	$ 14,347

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
ROADS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	ROADS			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Taxes	$ 1,747	$ 1,747	$ 1,185	$ (562)
Licenses, permits and franchises	237	237	368	131
Fines, forfeitures and penalties	290	290	221	(69)
Revenue from use of money and property	661	661	706	45
Aid from other governmental units	47,624	47,624	27,053	(20,571)
Charges for services	-	-	-	-
Other	440	440	431	(9)
Amount available for appropriation	50,999	50,999	29,964	(21,035)
Charges to appropriations (outflows):				
Public ways and facilities				
Services and supplies	55,525	48,748	18,307	30,441
Other charges	2,500	2,500	1,559	941
Contingencies	8,436	8,436	-	8,436
Total public ways and facilities	66,461	59,684	19,866	39,818
Capital outlay	282	7,059	6,777	282
Total charges to appropriation	66,743	66,743	26,643	40,100
Excess (deficiency) of revenues over (under) expenditures	(15,744)	(15,744)	3,321	19,065
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	21	21
Transfer in	-	-	3	3
Transfer out	(248)	(248)	(138)	110
Total financing sources (uses)	(248)	(248)	(114)	134
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(15,992)	(15,992)	3,207	19,199
Fund balances - beginning	39,037	39,037	39,037	-
Fund balances - ending	$ 23,045	$ 23,045	$ 42,244	$ 19,199

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
WATERSHED PROTECTION DISTRICTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	WATERSHED PROTECTION DISTRICTS			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Taxes	$ 11,782	$ 11,782	$ 13,496	$ 1,714
Licenses, permits and franchises	100	100	127	27
Fines, forfeitures and penalties	63	63	35	(28)
Revenue from use of money and property	1,832	1,832	2,505	673
Aid from other governmental units	16,245	20,602	8,527	(12,075)
Charges for services	11,473	11,873	12,324	451
Other	10	10	68	58
Amount available for appropriation	41,505	46,262	37,082	(9,180)
Charges to appropriations (outflows):				
Public protection				
Services and supplies	86,323	77,078	39,490	37,588
Other charges	4,315	4,321	582	3,739
Contingencies	5,016	4,845	-	4,845
Total public protection	95,654	86,244	40,072	46,172
Capital outlay	125	14,273	14,148	125
Total charges to appropriation	95,779	100,517	54,220	46,297
Deficiency of revenues under expenditures	(54,274)	(54,255)	(17,138)	37,117
Other financing sources (uses):				
Transfer in	125	125	499	374
Transfer out	(772)	(792)	(322)	470
Total financing sources (uses)	(647)	(667)	177	844
Deficiency of revenues and other sources under expenditures and other uses	(54,921)	(54,922)	(16,961)	37,961
Fund balances - beginning	83,568	83,568	83,568	-
Fund balances - ending	$ 28,647	$ 28,646	$ 66,607	$ 37,961

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
FIRE PROTECTION DISTRICT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	FIRE PROTECTION DISTRICT			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Taxes	$ 85,922	$ 85,922	$ 88,161	$ 2,239
Licenses, permits and franchises	950	950	820	(130)
Fines, forfeitures and penalties	50	50	43	(7)
Revenue from use of money and property	501	501	1,309	808
Aid from other governmental units	10,199	10,483	9,789	(694)
Charges for services	1,110	1,110	1,101	(9)
Other	2,694	2,694	6,787	4,093
Amount available for appropriation	101,426	101,710	108,010	6,300
Charges to appropriations (outflows):				
Public protection				
Salaries and benefits	87,722	87,758	86,207	1,551
Services and supplies	18,317	17,802	14,187	3,615
Contingencies	250	250	-	250
Total public protection	106,289	105,810	100,394	5,416
Capital outlay	22,352	23,460	14,786	8,674
Debt service:				
Principal retirement	526	526	502	24
Interest and fiscal charges	70	70	30	40
Total charges to appropriation	129,237	129,866	115,712	14,154
Deficiency of revenues under expenditures	(27,811)	(28,156)	(7,702)	20,454
Other financing sources (uses):				
Proceeds from sale of capital asset	60	560	573	13
Transfer out	(250)	(308)	(308)	-
Total financing sources (uses)	(190)	252	265	13
Deficiency of revenues and other sources under expenditures and other uses	(28,001)	(27,904)	(7,437)	20,467
Fund balances - beginning	48,115	48,115	48,115	-
Fund balances - ending	$ 20,114	$ 20,211	$ 40,678	$ 20,467

COUNTY OF VENTURA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Budgetary Adoption

The County is legally required to adopt a balanced annual budget for the General Fund, special revenue funds, the permanent fund, and the debt service and capital projects funds of the Watershed Protection Districts, Pension Obligation Bonds, Redevelopment Agency Piru Project, Juvenile Justice Complex, and the Juvenile Justice Complex Courthouse. The County adheres to provisions of the California Government Code Sections 29000 through 29144, known as The County Budget Act. Annually, the Board conducts a public hearing for discussion of the proposed budget. At the conclusion of the hearing, and no later than August 30, the Board adopts the final budget including revisions by resolution. A Final Budget book is published.

Budgetary Comparisons

GASB 34 requires a budgetary comparison for the major general and special revenue funds from the funds financial statements. The County has elected to present this information as Required Supplementary Information. Analysis of the General Fund budget is included in Management's Discussion and Analysis.

The comparisons required are between original budget and final budget and between final budget and actual on a budgetary basis. The "original budget" includes the original approved budget (published as the Final Budget) plus appropriations for prior year approved roll-over encumbrances. The "final budget" is the budget as Board approved at the end of the fiscal year. The "actual on a budgetary basis" includes the actual revenues and expenditures as presented in the budget and as adjusted for the fund financial statements.

The primary changes are as follows:

- For budgetary purposes, inventory items are recognized as expenditures when purchased. Under accounting principles generally accepted in the United States of America (GAAP), inventories at year-end are recorded as an asset.

- For budgetary purposes, changes in the fair value of investments are not recognized as increases or decreases to revenue. Under GAAP such changes are recognized as increases or decreases to revenue.

- For budgetary purposes, the County agency fund amounts planned by departments for use during the fiscal year were recognized as revenue. Under GAAP and GASB 33 and 34, all County agency funds must be included within the related County fund as revenue, deferred revenue, or liability.

The following schedule is a reconciliation for major funds of the differences between fund balances on the actual on a budgetary basis and GAAP basis fund balances (in thousands):

		SPECIAL REVENUE FUNDS		
	General Fund	Roads	Watershed Protection Districts	Fire Protection District
Fund Balances - Actual on a budgetary basis	$ 170,207	$ 42,244	$ 66,607	$ 40,678
Adjustments:				
Change in reserve for inventories	-	-	-	113
Change in fair value of investments	(636)	(27)	(44)	(9)
Addition of county agency funds	6,927	2,712	(57)	650
Total adjustments	6,291	2,685	(101)	754
Fund balances - GAAP basis	$ 176,498	$ 44,929	$ 66,506	$ 41,432

Supplemental Appropriations

The Board may approve supplemental appropriations during the year if revenues are received from unanticipated sources or from anticipated sources, but in excess of estimates thereof. Transfers of appropriations between budget units/departments must also be approved by the Board.

Supplemental appropriations for those funds which the County is legally required to adopt an annual budget approximated $61,419,000 for the fiscal year ended June 30, 2006.

Level of Budgetary Control

County expenditures are controlled at the object level (salaries and benefits, services and supplies, other charges, and other financing uses) and sub-object level (capital assets) within budget units/departments for the County. The object level is the level at which expenditures may not legally exceed appropriations. Any transfer of appropriations between object levels within the same budget unit is delegated by the Board to the County Executive Officer.

The County is legally required to adopt an annual budget including over 90 budget units/departments in over 30 funds. Because of this large volume of detail, a separate Departmental Budget Report of Revenues and Expenditures – Budget and Actual on a Budgetary Basis has been prepared at the budget unit/department, function, and object level for those funds for which the County is legally required to adopt an annual budget. After approved year-end and post-closing adjustments, there are no departments exceeding appropriations at the object level. The budgetary document is available to the general public in the Auditor-Controller's Office.

Encumbrances

The County requires use of an encumbrance system as an extension of normal budgetary accounting to assist all funds in controlling expenditures. Under this system, purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance in the governmental funds. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

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Supplementary Information

COUNTY AUDITOR'S OFFICE
VENTURA CO. CAL.

Nonmajor Governmental Funds

COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2006
(In Thousands)

	Total Non-Major Governmental Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	George D. Lyon Permanent Fund
ASSETS					
Cash and investments	$ 27,495	$ 12,894	$ 6,344	$ 7,118	$ 1,139
Receivables, net	2,021	1,943	57	12	9
Due from other funds	491	436	2	50	3
Inventories and other assets	39	39	-	-	-
Loans receivable	790	790	-	-	-
Advances to other funds	40	-	40	-	-
Total assets	$ 30,876	$ 16,102	$ 6,443	$ 7,180	$ 1,151
LIABILITIES					
Accounts payable	$ 961	$ 763	$ -	$ 198	$ -
Accrued liabilities	1,281	1,281	-	-	-
Due to other funds	3,563	1,180	2,094	289	-
Deferred revenue	61	61	-	-	-
Total liabilities	5,866	3,285	2,094	487	-
FUND BALANCES					
Reserved	8,282	1,080	6,069	-	1,133
Unreserved, designated	4,708	4,708	-	-	-
Unreserved, undesignated reported in					
Special revenue funds	7,029	7,029	-	-	-
Debt service funds	(1,720)	-	(1,720)	-	-
Capital projects funds	6,693	-	-	6,693	-
Permanent funds	18	-	-	-	18
Total fund balances	25,010	12,817	4,349	6,693	1,151
Total liabilities and fund balances	$ 30,876	$ 16,102	$ 6,443	$ 7,180	$ 1,151

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action to expenditures for specified purposes. Non-major special revenue funds used by the County are listed below:

COUNTY LIBRARY

This fund accounts for the provision of library services in fifteen branches throughout the County, except in the City of Oxnard, City of Thousand Oaks, and Santa Paula School District, which provide their own library facilities. Support is derived principally from property taxes and includes donations from citizens groups and cities.

H.U.D. GRANTS

This fund is primarily used to account for federal grants from the Department of Housing and Urban Development for development of low and moderate income housing, rehabilitation and improvements of public facilities, and meeting conditions which pose a serious and immediate threat to health and welfare in the County.

LOAN

This fund is primarily used to account for federal and state funds from the Department of Commerce Economic Development Administration to provide assistance to entities that were impacted by the Northridge earthquake disaster and downsizing of the defense industry.

FISH AND GAME

This fund was established to receive the County's share of fines levied for violations of fish and game laws within its boundaries. Expenditures are made from time to time for purposes of improving the habitat for wildlife propagation and for incidental administrative matters.

DOMESTIC VIOLENCE PROGRAM

This program was established to provide services to victims of domestic violence and their children in accordance with state statute and to explore and determine ways of reducing incidences of domestic violence. The program is funded by a special surcharge levied on the issuance of all marriage licenses.

COUNTY SERVICE AREAS

County Service Areas account for lighting, street and road maintenance, ambulance service, recreation, and wastewater treatment facilities in specific geographic areas. Support is derived principally from property taxes and service charges in each service area.

(Continued)

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS
(Continued)

WORKFORCE DEVELOPMENT
This fund accounts for the provision of services to the public and private sectors, including the planning, operation, administration, and management of job training programs pursuant to the Workforce Investment Act, regulations of the U.S. Department of Labor, Family Economic Security Act, and the directions of the Governor of the State of California. Support consists principally of Federal funds.

SPAY/NEUTER PROGRAM
This fund is used to account for the spay/neuter subvention program. The program provides Ventura County animal owners with financial assistance, using a voucher system, for altering dogs. The program is funded by forfeited spay/neuter deposit monies and animal license fees.

INMATE WELFARE
This fund was established pursuant to Section 4025 of the California Penal Code for the benefit, education, and welfare of inmates confined to County jail. It is funded by proceeds from the jail canteen, jail commissary, vocational programs, and telephone commissions.

REDEVELOPMENT AGENCY PIRU PROJECT
This fund was established to provide administrative, fiscal and other support services to the capital project, debt service and low and moderate housing funds of the Redevelopment Agency – Piru Project. Funding is provided by grants, unrestricted interest earnings and tax increment revenue for the low–moderate income housing set-aside.

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
The Ventura County In-Home Supportive Services Public Authority (Public Authority) was established on July 23, 2002 to provide an employer of record for in-home supportive service providers, as required by Welfare and Institutions Code Section 12302.25. Federal, State, County, and realignment funds support the activities of the Public Authority.

DEPARTMENT OF CHILD SUPPORT SERVICES
This fund was established in July 2002, pursuant to Family Code Section 17304 which required the transfer of local child support programs from the District Attorney's Office to a newly created County department under the oversight of the State. Services, which include location, establishment and enforcement of orders for child and medical support, and paternity determination, are funded by federal and state reimbursements.

COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006
(In Thousands)
(Continued)

	Spay/Neuter Program	Inmate Welfare Fund	Redevelopment Agency Piru Project	Public Authority	Child Support Services
ASSETS					
Cash and investments	$ 119	$ 1,360	$ 554	$ 228	$ 303
Receivables, net	1	10	4	553	465
Due from other funds	-	154	44	77	5
Inventories and other assets	-	35	-	-	4
Loans receivable	-	-	-	-	-
Total assets	$ 120	$ 1,559	$ 602	$ 858	$ 777
LIABILITIES					
Accounts payable	$ -	$ 26	$ 2	$ 7	$ 3
Accrued liabilities	-	32	2	21	721
Due to other funds	-	34	12	830	30
Deferred revenue	-	-	-	-	-
Total liabilities	-	92	16	858	754
FUND BALANCES					
Reserved	-	38	-	-	16
Unreserved, designated	42	1,386	519	-	-
Unreserved, undesignated reported in Special revenue funds	78	43	67	-	7
Total fund balances	120	1,467	586	-	23
Total liabilities and fund balances	$ 120	$ 1,559	$ 602	$ 858	$ 777

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COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)
(Continued)

	Spay/Neuter Program	Inmate Welfare Fund	Redevelopment Agency Piru Project	Public Authority	Child Support Services
Revenues:					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses, permits, and franchises	-	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Revenues from use of money and property	3	51	31	16	101
Aid from other governmental units	-	-	-	4,106	19,495
Charges for services	5	-	-	-	-
Other	50	2,185	2	-	-
Total revenues	58	2,236	33	4,122	19,596
Expenditures:					
Current:					
Public protection	6	2,115	-	-	19,596
Public ways and facilities	-	-	245	-	-
Public assistance	-	-	-	5,315	-
Education	-	-	-	-	-
Capital outlay	-	40	-	-	20
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	6	2,155	245	5,315	19,616
Excess (deficiency) of revenues over (under) expenditures	52	81	(212)	(1,193)	(20)
Other financing sources (uses):					
Transfers in	-	-	331	1,193	-
Transfers out	-	(380)	(10)	-	-
Total other financing sources (uses)	-	(380)	321	1,193	-
Net change in fund balances	52	(299)	109	-	(20)
Fund balances - beginning	68	1,766	477	-	43
Fund balances - ending	$ 120	$ 1,467	$ 586	$ -	$ 23

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
COUNTY LIBRARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	COUNTY LIBRARY			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Taxes	$ 7,239	$ 7,239	$ 7,580	$ 341
Fines, forfeitures and penalties	-	-	2	2
Revenue from use of money and property	107	106	220	114
Aid from other governmental units	684	2,038	1,727	(311)
Charges for services	279	279	292	13
Other	313	466	481	15
Amount available for appropriation	8,622	10,128	10,302	174
Charges to appropriations (outflows):				
General government:				
Salaries and benefits	5,609	5,971	5,756	215
Services and supplies	3,629	5,863	3,438	2,425
Other charges	124	131	131	-
Contingencies	204	204	-	204
Total general government	9,566	12,169	9,325	2,844
Capital outlay	461	612	89	523
Debt service:				
Interest and fiscal charges	8	8	-	8
Total charges to appropriation	10,035	12,789	9,414	3,375
Excess (deficiency) of revenues over (under) expenditures	(1,413)	(2,661)	888	3,549
Other financing sources:				
Transfer in	625	625	625	-
Total financing sources	625	625	625	-
Excess (deficiency) of revenues and other sources over (under) expenditures	(788)	(2,036)	1,513	3,549
Fund balances - beginning	5,748	5,748	5,748	-
Fund balances - ending	$ 4,960	$ 3,712	$ 7,261	$ 3,549

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
H. U. D. GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	HOUSING AND URBAN DEVELOPMENT GRANTS			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Aid from other governmental units	$ 3,724	$ 9,818	$ 3,964	$ (5,854)
Amount available for appropriation	3,724	9,818	3,964	(5,854)
Charges to appropriations (outflows):				
Public assistance:				
Services and supplies	3,724	9,818	3,964	5,854
Total public assistance	3,724	9,818	3,964	5,854
Total charges to appropriation	3,724	9,818	3,964	5,854
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances - beginning	65	65	65	-
Fund balances - ending	$ 65	$ 65	$ 65	$ -

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
LOAN FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	LOAN FUND			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	$ 47	$ 47	$ 64	$ 17
Aid from other governmental units	381	381	-	(381)
Other	39	39	34	(5)
Amount available for appropriation	467	467	98	(369)
Charges to appropriations (outflows):				
Public assistance:				
Services and supplies	54	54	38	16
Contingencies	144	144	-	144
Total public assistance	198	198	38	160
Total charges to appropriation	198	198	38	160
Excess of revenues over expenditures	269	269	60	(209)
Other financing uses:				
Loans advanced	(1,195)	(1,195)	-	1,195
Total financing uses	(1,195)	(1,195)	-	1,195
Excess (deficiency) of revenues over (under) expenditures and other uses	(926)	(926)	60	986
Fund balances - beginning	1,682	1,682	1,682	-
Fund balances - ending	$ 756	$ 756	$ 1,742	$ 986

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
FISH AND GAME FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	FISH AND GAME			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	$ 1	$ 1	$ 5	$ 4
Charges for services	35	65	92	27
Amount available for appropriation	36	66	97	31
Charges to appropriations (outflows):				
Public protection:				
Services and supplies	1	1	1	-
Other charges	2	7	7	-
Contingencies	8	8	-	8
Total public protection	11	16	8	8
Total charges to appropriation	11	16	8	8
Excess of revenues over expenditures	25	50	89	39
Other financing uses:				
Transfer out	(50)	(75)	(75)	-
Total financing uses	(50)	(75)	(75)	-
Excess (deficiency) of revenues over (under) expenditures and other uses	(25)	(25)	14	39
Fund balances - beginning	114	114	114	-
Fund balances - ending	$ 89	$ 89	$ 128	$ 39

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
DOMESTIC VIOLENCE PROGRAM FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	DOMESTIC VIOLENCE PROGRAM			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Licenses, permits and franchises	$ -	$ -	$ 20	$ 20
Fines, forfeitures and penalties	-	-	26	26
Revenue from use of money and property	1	1	5	4
Other	132	132	166	34
Amount available for appropriation	133	133	217	84
Charges to appropriations (outflows):				
Public assistance:				
Services and supplies	135	135	125	10
Contingencies	4	4	-	4
Total public assistance	139	139	125	14
Total charges to appropriation	139	139	125	14
Excess (deficiency) of revenues over (under) expenditures	(6)	(6)	92	98
Fund balances - beginning	104	104	104	-
Fund balances - ending	$ 98	$ 98	$ 196	$ 98

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
COUNTY SERVICE AREAS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	COUNTY SERVICE AREAS			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Taxes	$ 721	$ 721	$ 771	$ 50
Fines, forfeitures and penalties	1	1	2	1
Revenue from use of money and property	66	66	118	52
Aid from other governmental units	11	41	134	93
Charges for services	720	741	723	(18)
Other	-	-	8	8
Amount available for appropriation	1,519	1,570	1,756	186
Charges to appropriations (outflows):				
Public protection:				
Services and supplies	1,687	1,802	1,464	338
Contingencies	268	268	-	268
Total public protection	1,955	2,070	1,464	606
Capital outlay	105	39	-	39
Debt service:				
Principal retirement	29	30	30	-
Interest and fiscal charges	9	9	9	-
Total charges to appropriation	2,098	2,148	1,503	645
Excess (deficiency) of revenues over (under) expenditures	(579)	(578)	253	831
Fund balances - beginning	1,938	1,938	1,938	-
Fund balances - ending	$ 1,359	$ 1,360	$ 2,191	$ 831

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
WORKFORCE DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	WORKFORCE DEVELOPMENT FUND			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	$ -	$ -	$ 1	$ 1
Aid from other governmental units	7,903	9,543	7,740	(1,803)
Other	-	-	70	70
Amount available for appropriation	7,903	9,543	7,811	(1,732)
Charges to appropriations (outflows):				
Public assistance:				
Salaries and benefits	3,319	3,395	3,295	100
Services and supplies	5,539	7,070	4,516	2,554
Contingencies	-	32	-	32
Total public assistance	8,858	10,497	7,811	2,686
Total charges to appropriation	8,858	10,497	7,811	2,686
Excess (deficiency) of revenues over (under) expenditures	(955)	(954)	-	954
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ (955)	$ (954)	$ -	$ 954

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
SPAY/NEUTER PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	SPAY/NEUTER PROGRAM			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	$ -	$ -	$ 3	$ 3
Charges for services	5	5	5	-
Other	52	52	50	(2)
Amount available for appropriation	57	57	58	1
Charges to appropriations (outflows):				
Public protection:				
Services and supplies	72	72	6	66
Contingencies	11	11	-	11
Total public protection	83	83	6	77
Total charges to appropriation	83	83	6	77
Excess (deficiency) of revenues over (under) expenditures	(26)	(26)	52	78
Fund balances - beginning	68	68	68	-
Fund balances - ending	$ 42	$ 42	$ 120	$ 78

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
INMATE WELFARE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	INMATE WELFARE			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	$ 25	$ 25	$ 52	$ 27
Other	2,526	2,526	2,185	(341)
Amount available for appropriation	2,551	2,551	2,237	(314)
Charges to appropriations (outflows):				
Public protection:				
Salaries and benefits	973	1,014	1,014	-
Services and supplies	1,298	1,283	1,102	181
Contingencies	170	170	-	170
Total public protection	2,441	2,467	2,116	351
Capital outlay	76	50	40	10
Total charges to appropriation	2,517	2,517	2,156	361
Excess of revenues over expenditures	34	34	81	47
Other financing uses:				
Transfer out	(407)	(407)	(380)	27
Total financing uses	(407)	(407)	(380)	27
Deficiency of revenues under expenditures and other uses	(373)	(373)	(299)	74
Fund balances - beginning	1,766	1,766	1,766	-
Fund balances - ending	$ 1,393	$ 1,393	$ 1,467	$ 74

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
REDEVELOPMENT AGENCY PIRU PROJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	REDEVELOPMENT AGENCY PIRU PROJECT			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	$ 22	$ 22	$ 32	$ 10
Other	-	-	2	2
Amount available for appropriation	22	22	34	12
Charges to appropriations (outflows):				
Public ways and facilities:				
Services and supplies	769	783	245	538
Contingencies	28	28	-	28
Total public ways and facilities	797	811	245	566
Total charges to appropriation	797	811	245	566
Deficiency of revenues under expenditures	(775)	(789)	(211)	578
Other financing sources (uses):				
Transfer in	307	321	331	10
Transfer out	(10)	(10)	(10)	-
Total financing sources (uses)	297	311	321	10
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(478)	(478)	110	588
Fund balances - beginning	477	477	477	-
Fund balances - ending	$ (1)	$ (1)	$ 587	$ 588

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	$ -	$ -	$ 16	$ 16
Aid from other governmental units	3,711	4,411	4,106	(305)
Amount available for appropriation	3,711	4,411	4,122	(289)
Charges to appropriations (outflows):				
Public assistance:				
Salaries and benefits	496	453	442	11
Services and supplies	211	179	167	12
Other charges	4,197	4,972	4,706	266
Total public assistance	4,904	5,604	5,315	289
Total charges to appropriation	4,904	5,604	5,315	289
Deficiency of revenues under expenditures	(1,193)	(1,193)	(1,193)	-
Other financing sources:				
Transfer in	1,193	1,193	1,193	-
Total financing sources	1,193	1,193	1,193	-
Excess (deficiency) of revenues and other sources over (under) expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR SPECIAL REVENUE FUNDS
DEPARTMENT OF CHILD SUPPORT SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	CHILD SUPPORT SERVICES			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	$ 30	$ 30	$ 102	$ 72
Aid from other governmental units	21,129	21,129	19,495	(1,634)
Other	-	-	1	1
Amount available for appropriation	21,159	21,159	19,598	(1,561)
Charges to appropriations (outflows):				
Public protection:				
Salaries and benefits	18,119	18,108	17,130	978
Services and supplies	3,026	3,026	2,452	574
Other charges	20	20	-	20
Total public protection	21,165	21,154	19,582	1,572
Capital outlay	16	27	20	7
Total charges to appropriation	21,181	21,181	19,602	1,579
Deficiency of revenues under expenditures	(22)	(22)	(4)	18
Other financing sources:				
Transfer in	22	22	-	(22)
Total financing sources	22	22	-	(22)
Excess (deficiency) of revenues and other sources over (under) expenditures	-	-	(4)	(4)
Fund balances - beginning	43	43	43	-
Fund balances - ending	$ 43	$ 43	$ 39	$ (4)

NON-MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt. A more detailed description of each fund is listed below:

PUBLIC FACILITIES CORPORATION

This fund is used to accumulate resources for the payment of principal and interest on the Certificates of Participation issues related to the purchase of equipment and the construction of County capital project improvements. This fund receives transfers primarily from the General Fund based on lease-purchase agreements.

PUBLIC FINANCING AUTHORITY

This fund accounts for debt proceeds which were used to pay, refund and retire Public Facilities Corporation (PFC) lease revenue bonds under PFC I and Certificates of Participation under PFC III. This fund is also used to finance a portion of various other capital projects and pay costs incurred in connection with the issuance, sale and delivery of the Tax Exempt Commercial Paper Notes and the 2001 Certificates of Participation which advance refunded PFC IV and the 2003 Certificates of Participation (PFAII) which purchased the Gonzales Road Building and is financing the Juvenile Justice Complex Court Facility. This fund is also used to accumulate resources for the payment of principal and interest on the issues. This fund receives transfers primarily from the General Fund based on lease-purchase agreements.

REDEVELOPMENT AGENCY PIRU PROJECT

This fund is used to accumulate resources for the payment of principal related to the activities of the Redevelopment Agency Piru Project. The plan's purpose is to respond to damage caused by the 1994 Northridge earthquake to Piru's town center and public infrastructure through a project of community reinvestment. Funding is derived primarily from property taxes calculated in adherence with Health and Safety Code Section 33670.

WATERSHED PROTECTION DISTRICTS

This fund was used to accumulate resources for the payment of principal and interest on the general obligation bonds issued by the Watershed Protection Districts. The bonds have been paid in full. This fund will be merged with the districts' general fund as of July 1, 2006.

PENSION OBLIGATION BONDS

The bonds were issued to provide funds to allow the County to fund its unfunded actuarial liability at December 1, 1995 with respect to VCERA retirement benefits for County employees.

COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2006
(In Thousands)

	Total	Public Facilities Corporation	Public Financing Authority	Redevelopment Agency Piru Project	Watershed Protection Districts	Pension Obligation Bonds
ASSETS						
Cash and investments	$ 6,344	$ 124	$ 5,657	$ 287	$ 22	$ 254
Receivables, net	57	8	43	3	-	3
Due from other funds	2	-	-	1	-	1
Advances to other funds	40	-	-	40	-	-
Total assets	$ 6,443	$ 132	$ 5,700	$ 331	$ 22	$ 258
LIABILITIES						
Due to other funds	$ 2,094	$ -	$ -	$ 94	$ -	$ 2,000
Total liabilities	2,094	-	-	94	-	2,000
FUND BALANCES						
Reserved	6,069	132	5,700	237	-	-
Unreserved, undesignated reported in Debt service funds	(1,720)	-	-	-	22	(1,742)
Total fund balances	4,349	132	5,700	237	22	(1,742)
Total liabilities and fund balances	$ 6,443	$ 132	$ 5,700	$ 331	$ 22	$ 258

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	Total	Public Facilities Corporation	Public Financing Authority	Redevelopment Agency Piru Project	Watershed Protection Districts	Pension Obligation Bonds
Revenues:						
Taxes	$ 494	$ -	$ -	$ 493	$ 1	$ -
Revenues from use of money and property	521	49	374	9	1	88
Aid from other governmental units	14	-	-	14	-	-
Other	21,030	-	-	-	-	21,030
Total revenues	22,059	49	374	516	2	21,118
Expenditures:						
Current:						
General government	112	-	-	112	-	-
Debt service:						
Principal retirement	28,565	200	8,011	39	-	20,315
Interest and fiscal charges	6,315	87	3,211	31	-	2,986
Total expenditures	34,992	287	11,222	182	-	23,301
Excess (deficiency) of revenues over (under) expenditures	(12,933)	(238)	(10,848)	334	2	(2,183)
Other financing sources (uses):						
Transfers in	11,044	311	10,733	-	-	-
Transfers out	(8,529)	-	(8,146)	(383)	-	-
Total other financing sources (uses)	2,515	311	2,587	(383)	-	-
Net change in fund balances	(10,418)	73	(8,261)	(49)	2	(2,183)
Fund balances - beginning	14,767	59	13,961	286	20	441
Fund balances (deficit) - ending	$ 4,349	$ 132	$ 5,700	$ 237	$ 22	$ (1,742)

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR DEBT SERVICE FUNDS
REDEVELOPMENT AGENCY PIRU PROJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	REDEVELOPMENT AGENCY PIRU PROJECT			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Taxes	$ 453	$ 469	$ 493	$ 24
Revenue from use of money and property	6	6	10	4
Aid from other governmental units	14	14	14	-
Amount available for appropriation	473	489	517	28
Charges to appropriations (outflows):				
General government:				
Services and supplies	143	151	112	39
Contingencies	85	17	-	17
Total general government	228	168	112	56
Debt service:				
Principal retirement	13	13	-	13
Total charges to appropriation	241	181	112	69
Excess of revenues over expenditures	232	308	405	97
Other financing uses:				
Transfer out	(385)	(461)	(461)	-
Total financing uses	(385)	(461)	(461)	-
Deficiency of revenues and other sources under expenditures and other uses	(153)	(153)	(56)	97
Fund balances - beginning	286	286	286	-
Fund balances - ending	$ 133	$ 133	$ 230	$ 97

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR DEBT SERVICE FUNDS
WATERSHED PROTECTION DISTRICTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	WATERSHED PROTECTION DISTRICTS			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Taxes	$ -	$ -	$ 1	$ 1
Revenue from use of money and property	-	-	1	1
Amount available for appropriation	-	-	2	2
Excess (deficiency) of revenues over (under) expenditures	-	-	2	2
Fund balances - beginning	20	20	20	-
Fund balances - ending	$ 20	$ 20	$ 22	$ 2

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR DEBT SERVICE FUNDS
PENSION OBLIGATION BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	PENSION OBLIGATION BONDS			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	$ -	$ -	$ 87	$ 87
Other	23,301	23,301	21,030	(2,271)
Amount available for appropriation	23,301	23,301	21,117	(2,184)
Charges to appropriations (outflows):				
General government:				
Contingencies	255	255	-	255
Total general government	255	255	-	255
Debt service:				
Principal retirement	20,315	20,315	20,315	-
Interest and fiscal charges	2,986	2,986	2,986	-
Total charges to appropriation	23,556	23,556	23,301	255
Deficiency of revenues under expenditures	(255)	(255)	(2,184)	(1,929)
Fund balances - beginning	441	441	441	-
Fund balances - ending	$ 186	$ 186	$ (1,743)	$ (1,929)

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources provided by borrowings or contributions and for major capital acquisition and construction activities funded by those resources (other than those financed by proprietary funds and trust funds). Major capital activities are reported in the following funds:

PUBLIC FACILITIES CORPORATION

This fund is used to account for the costs of constructing and acquiring various buildings, facilities, and equipment for the County of Ventura. The cost of these projects is financed by the issuance of Certificates of Participation in 1998 through the Public Facilities Corporation. All planned projects are completed.

PUBLIC FINANCING AUTHORITY

This fund is used to account for the costs of constructing and acquiring various buildings, facilities, and equipment for the County of Ventura and the refunding of Public Facilities Corporation Lease Revenue Bonds issued in 1976 and Certificates of Participation issued in 1987. The cost of various projects is financed by the periodic issuance of Tax Exempt Commercial Paper Notes, which were first issued in 1998 through the Public Financing Authority. Certificates of Participation were issued in 2001 to advance refund Public Facilities Certificates of Participation issued in 1993, refund equipment lease and acquire equipment and buildings for Ventura County Medical Center, Juvenile Justice Facility and General Services Agency. Additional Certificates of Participation were issued in 2003 to purchase the Gonzales Road Building and finance the construction of the Juvenile Justice Facility Courthouse.

REDEVELOPMENT AGENCY PIRU PROJECT

This fund is used to account for the financial resources used and costs incurred for the acquisition or construction of major capital facilities as outlined in the Agency's Piru Community Enhancement Plan. The costs of these projects are financed by borrowing, federal grants and unrestricted funds of the Agency.

JUVENILE JUSTICE COMPLEX

This fund is used to account for the initial costs of acquiring land and constructing various buildings, facilities and equipment for a new juvenile detention and commitment complex. The State Board of Corrections approved a $40.5 million grant for buildings requiring a $24.9 million match provided by the County for remaining costs. Current fiscal year costs were funded through issuance of 2001 Certificates of Participation under authority of the Public Financing Authority.

JUVENILE JUSTICE COMPLEX COURTHOUSE

This fund is used to account for the construction costs of a 56,200 square foot courthouse on the grounds of the Juvenile Justice Complex. Financing for the project, with an estimated cost of $15.8 million, was provided through the issuance of certificates of participation by the Public Financing Authority in October 2003. Repayment of the debt will be provided by the Ventura County Superior Courts for the courthouse and the ratable share of land and infrastructure using the Courthouse Construction Fund as allowed by law.

SANTA ROSA ROAD ASSESSMENT DISTRICT

On November 13, 2005, in accordance with Streets and Highways Code Section 22000 and Article XII D of the California Constitution, the Board of Supervisors adopted a resolution forming the Santa Rosa Road Assessment District for the purpose of funding the cost of installation, maintenance, and servicing of public improvements, consisting of four traffic signals along Santa Rosa Road. The project is expected to be funded by a combination of a private donation, a loan from the Road Fund, and assessments imposed on assessable parcels within the District's boundaries.

COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2006
(In Thousands)

	Total	Public Facilities Corporation	Public Financing Authority	Redevelopment Agency Piru Project	Juvenile Justice Complex	Juvenile Justice Complex Courthouse	Santa Rosa Road Assessment District
ASSETS							
Cash and investments	$7,118	$ 974	$ 5,883	$ 7	$ -	$ 1	$ 253
Receivables, net	12	-	2	8	-	-	2
Due from other funds	50	-	-	-	20	29	1
Total assets	$7,180	$ 974	$ 5,885	$ 15	$ 20	$ 30	$ 256
LIABILITIES							
Accounts payable	$ 198	$ -	$ 198	$ -	$ -	$ -	$ -
Due to other funds	289	-	239	-	20	30	-
Total liabilities	487	-	437	-	20	30	-
FUND BALANCES							
Unreserved, undesignated reported in Capital projects funds	6,693	974	5,448	15	-	-	256
Total fund balances	6,693	974	5,448	15	-	-	256
Total liabilities and fund balances	$7,180	$ 974	$ 5,885	$ 15	$ 20	$ 30	$ 256

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	Total	Public Facilities Corporation	Public Financing Authority	Redevelopment Agency Piru Project	Juvenile Justice Complex	Juvenile Justice Complex Courthouse	Santa Rosa Road Assessment District
Revenues:							
Revenues from use of money and property	$ 163	$ 23	$ 134	$ -	$ -	$ -	$ 6
Aid from other governmental units	52	-	-	52	-	-	-
Other	250	-	-	-	-	-	250
Total revenues	465	23	134	52	-	-	256
Expenditures:							
Current:							
Capital outlay	1,571	-	1,000	52	405	114	-
Total expenditures	1,571	-	1,000	52	405	114	-
Excess (deficiency) of revenues over (under) expenditures	(1,106)	23	(866)	-	(405)	(114)	256
Other financing sources (uses):							
Proceeds from long-term debt	377	-	377	-	-	-	-
Transfers in	8,665	-	8,146	-	405	114	-
Transfers out	(557)	(23)	(534)	-	-	-	-
Total other financing sources (uses)	8,485	(23)	7,989	-	405	114	-
Net change in fund balances	7,379	-	7,123	-	-	-	256
Fund balances (deficit) - beginning	(686)	974	(1,675)	15	-	-	-
Fund balances - ending	$6,693	$ 974	$5,448	$ 15	$ -	$ -	$ 256

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR CAPITAL PROJECTS FUNDS
REDEVELOPMENT AGENCY PIRU PROJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	REDEVELOPMENT AGENCY PIRU PROJECT			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	$ 1	$ 1	$ -	$ (1)
Aid from other governmental units	160	160	52	(108)
Amount available for appropriation	161	161	52	(109)
Charges to appropriations (outflows):				
Capital outlay	176	176	52	124
Total charges to appropriation	176	176	52	124
Excess (deficiency) of revenues over (under) expenditures	(15)	(15)	-	15
Fund balances - beginning	15	15	15	-
Fund balances - ending	$ -	$ -	$ 15	$ 15

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR CAPITAL PROJECTS FUNDS
JUVENILE JUSTICE COMPLEX
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	JUVENILE JUSTICE COMPLEX			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Charges to appropriations (outflows):				
Public protection:				
Services and supplies	$ 269	$ -	$ -	$ -
Total public protection	269	-	-	-
Capital outlay	320	635	405	230
Total charges to appropriation	589	635	405	230
Deficiency of revenues under expenditures	(589)	(635)	(405)	230
Other financing sources:				
Transfers in	569	615	405	(210)
Total financing sources	569	615	405	(210)
Excess (deficiency) of revenues and other sources over (under) expenditures	(20)	(20)	-	20
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ (20)	$ (20)	$ -	$ 20

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR CAPITAL PROJECTS FUNDS
JUVENILE JUSTICE COMPLEX COURTHOUSE
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	JUVENILE JUSTICE COMPLEX - COURTHOUSE			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Charges to appropriations (outflows):				
Public protection:				
Services and supplies	$ 175	$ 169	$ -	$ 169
Total public protection	175	169	-	169
Capital outlay	335	341	114	227
Total charges to appropriation	510	510	114	396
Deficiency of revenues under expenditures	(510)	(510)	(114)	396
Other financing sources:				
Transfers in	510	510	114	(396)
Total financing sources	510	510	114	(396)
Excess (deficiency) of revenues and other sources over (under) expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR CAPITAL PROJECTS FUNDS
SANTA ROSA ROAD ASSESSMENT DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	SANTA ROSA ROAD ASSESSMENT DISTRICT			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	$ -	$ 2	$ 7	$ 5
Aid from other governmental units	-	-	-	-
Other	-	250	250	-
Amount available for appropriation	-	252	257	5
Charges to appropriations (outflows):				
Public protection:				
Services and supplies	-	150	-	150
Contingencies	-	102	-	102
Total public protection	-	252	-	252
Total charges to appropriation	-	252	-	252
Excess (deficiency) of revenues over (under) expenditures	-	-	257	257
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ 257	$ 257

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NON-MAJOR GOVERNMENTAL FUNDS

PERMANENT FUND

GEORGE D. LYON

The George D. Lyon Book Fund was established in December 2002, funded by a bequest with the legal restriction that only earnings, and not principal, may be used for the purchase of books for the Foster Library in Ventura, California.

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR PERMANENT FUND
GEORGE D. LYON BOOK FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	GEORGE D. LYON BOOK FUND			
	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Revenue from use of money and property	$ 25	$ 25	$ 40	$ 15
Amount available for appropriation	25	25	40	15
Charges to appropriations (outflows):				
Education:				
Contingencies	4	4	-	4
Total education	4	4	-	4
Total charges to appropriation	4	4	-	4
Excess of revenues over expenditures	21	21	40	19
Other financing uses:				
Transfers out	(25)	(25)	(25)	-
Total financing uses	(25)	(25)	(25)	-
Excess (deficiency) of revenues over (under) expenditures and other uses	(4)	(4)	15	19
Fund balances - beginning	1,137	1,137	1,137	-
Fund balances - ending	$ 1,133	$ 1,133	$ 1,152	$ 19

Nonmajor Enterprise Funds

NON-MAJOR ENTERPRISE FUNDS

Enterprise funds are one of two types of proprietary funds used to report activities for which fees are charged to external users for full recovery, or more, of goods or services provided. They are exempt from legal compliance for budgetary control and follow commercial accounting principles for determination of operating, rather than budgetary, results. The County has established and uses the following enterprise funds:

PARKS DEPARTMENT
This fund accounts for the operation of the County's parks and golf courses, including administrative, fiscal, and other support services to these operations. Revenues are derived primarily from rentals of facilities to operators and concessionaires and from fees charged to public users of the facilities. The fund also accounts for federal and state aid and County contributions in support of parks and recreational activities.

CHANNEL ISLANDS HARBOR EXPANSION
This fund accounts for the expansion area of the Channel Islands Harbor financed by loans from the State of California and coordinates growth of this facility. The commercial fishing enterprise activities funded by a federal loan is accounted for in this fund. The fund's revenues are derived from tenants in the expansion area. It is operated by the Channel Islands Harbor Enterprise Fund in conjunction with that fund's management of the remainder of the Harbor facility.

CHANNEL ISLANDS HARBOR
This fund accounts for the operation of the Channel Islands Harbor, including administrative, fiscal, and other support to this operation, as well as to the Channel Islands Harbor Expansion Fund. Revenues are derived primarily from rentals of facilities to operators and concessionaires and from fees charged to the public users of the facility.

HEALTH CARE PLAN
The Ventura County Health Care Plan is a self-insured group medical plan operated by the County Health Care Agency. Revenues are derived primarily from charges to participating employer groups for medical insurance.

OAK VIEW DISTRICT
This assessment district was established on August 2, 2002 for the costs of acquiring and rehabilitating the former Oak View School for use as a community park and family resource center. Acquisition and development costs of $1.4 million are financed principally by tax exempt commercial paper and grant funds. Benefit assessments will fund annual debt service and maintenance and operation costs. The project is administered by the General Services Agency.

COUNTY OF VENTURA
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
JUNE 30, 2006
(In Thousands)

	Total	Parks Department	Channel Islands Harbor Expansion	Channel Islands Harbor	Health Care Plan	Oak View District
ASSETS						
Current assets:						
Cash and investments	$ 12,401	$ 2,052	$ 4,957	$ 2,501	$ 2,755	$ 136
Receivables, net	4,936	2,325	268	1,373	969	1
Due from other funds	106	12	13	5	63	13
Inventories and other assets	262	205	-	39	18	-
Restricted cash and investments	1,676	-	120	56	1,500	-
Total current assets	19,381	4,594	5,358	3,974	5,305	150
Noncurrent assets:						
Long-term receivables	130	130	-	-	-	-
Capital assets:						
Nondepreciable:						
Land	9,532	6,157	-	2,154	-	1,221
Construction in progress	3,466	2,325	297	844	-	-
Depreciable:						
Land improvements	9,038	7,900	-	1,065	-	73
Structures and improvements	15,291	5,506	7,744	1,645	-	396
Equipment/Vehicles	1,951	637	87	1,227	-	-
Less accumulated depreciation	(14,632)	(6,464)	(6,147)	(2,021)	-	-
Total noncurrent assets	24,776	16,191	1,981	4,914	-	1,690
Total assets	$ 44,157	$ 20,785	$ 7,339	$ 8,888	$ 5,305	$ 1,840
LIABILITIES						
Current liabilities:						
Accounts payable	$ 568	$ 51	$ 107	$ 356	$ 32	$ 22
Due to other funds	2,627	2,556	-	57	14	-
Accrued liabilities	6,014	498	-	4,827	689	-
Compensated absences, current	185	63	-	122	-	-
Claims liabilities, current	1,074	-	-	-	1,074	-
Certificates of participation, tax commercial paper, and loans and capital leases payable, current	414	12	302	35	-	65
Total current liabilities	10,882	3,180	409	5,397	1,809	87
Noncurrent liabilities:						
Unearned revenue	1,164	279	45	723	117	-
Advances from other funds	168	168	-	-	-	-
Compensated absences, noncurrent	190	71	-	119	-	-
Claims liabilities, noncurrent	1,640	-	-	-	1,640	-
Certificates of participation, tax commercial paper, and loans and capital leases payable, noncurrent	2,375	69	1,063	290	-	953
Total noncurrent liabilities	5,537	587	1,108	1,132	1,757	953
Total liabilities	16,419	3,767	1,517	6,529	3,566	1,040
NET ASSETS						
Invested in capital assets, net of related debt	22,033	15,980	736	4,645	-	672
Restricted	2,880	1,204	120	56	1,500	-
Unrestricted	2,825	(166)	4,966	(2,342)	239	128
Total net assets	27,738	17,018	5,822	2,359	1,739	800
Total liabilities and net assets	$ 44,157	$ 20,785	$ 7,339	$ 8,888	$ 5,305	$ 1,840

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	Total	Parks Department	Channel Islands Harbor Expansion	Channel Islands Harbor	Health Care Plan	Oak View District
Operating Revenues:						
Charges for services	$27,543	$ 535	$ 49	$5,440	$21,369	$ 150
Rents and royalties	8,734	3,206	1,981	3,523	-	24
Total operating revenues	36,277	3,741	2,030	8,963	21,369	174
Operating Expenses:						
Salaries and benefits	4,085	1,198	-	2,887	-	-
Services and supplies	13,460	3,600	1,632	5,759	2,386	83
Insurance premiums	1,001	35	-	175	791	-
Utilities	380	173	31	176	-	-
Provision for claims	17,991	-	-	-	17,991	-
Depreciation and amortization	1,497	471	820	206	-	-
Total operating expenses	38,414	5,477	2,483	9,203	21,168	83
Operating income (loss)	(2,137)	(1,736)	(453)	(240)	201	91
Nonoperating revenues (expenses)						
State and federal grants	762	-	54	708	-	-
Gain from insurance recovery	200	200	-	-	-	-
Loss from disposal of capital assets	(283)	-	(280)	(3)	-	-
Interest and investment income	407	21	189	67	124	6
Interest expense	(214)	(61)	(93)	(15)	(15)	(30)
Judgments and damages	(269)	-	-	(269)	-	-
Total nonoperating revenues (expenses)	603	160	(130)	488	109	(24)
Net income (loss) before capital contributions and transfers	(1,534)	(1,576)	(583)	248	310	67
Capital grants and contributions	1,609	1,609	-	-	-	-
Transfers in	1,215	628	-	587	-	-
Change in net assets	1,290	661	(583)	835	310	67
Net assets - beginning	26,448	16,357	6,405	1,524	1,429	733
Net assets - ending	$27,738	$ 17,018	$ 5,822	$2,359	$ 1,739	$ 800

COUNTY OF VENTURA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	Total	Parks Dept.	Channel Islands Harbor Expansion	Channel Islands Harbor	Health Care Plan	Oak View District
Cash Flows from Operating Activities						
Cash receipts from customers	$13,990	$ 3,008	$1,879	$5,960	$ 2,980	$ 163
Cash receipts from other funds	21,296	-	48	2,958	18,290	-
Cash paid to suppliers for goods and services	(8,513)	(2,537)	(489)	(5,427)	-	(60)
Cash paid to employees for services	(4,382)	(1,540)	-	(2,842)	-	-
Cash paid to other funds	(3,279)	1,430	(1,410)	(522)	(2,766)	(11)
Cash paid for insurance premiums	(791)	-	-	-	(791)	-
Cash paid for judgments and claims	(18,198)	-	-	-	(18,198)	-
Net cash provided by (used in) operating activities	123	361	28	127	(485)	92
Cash Flows from Noncapital Financing Activities						
Transfers received	2,415	628	-	1,787	-	-
Interest paid on noncapital debt	(15)	-	-	-	(15)	-
State and federal grant receipts	762	-	54	708	-	-
Net cash provided by (used in) noncapital financing activities	3,162	628	54	2,495	(15)	-
Cash Flows from Capital and Related Financing Activities						
Proceeds from capital grants	776	776	-	-	-	-
Proceeds from capital contributions	263	263	-	-	-	-
Proceeds from insurance recovery	1,200	1,200	-	-	-	-
Acquisition and construction of capital assets	(4,478)	(3,988)	(87)	(403)	-	-
Principal paid on capital lease obligations	(12)	(12)	-	-	-	-
Principal paid on capital debt	(636)	-	(545)	(35)	-	(56)
Interest paid on capital debt	(199)	(61)	(93)	(15)	-	(30)
Net cash used in capital and related financing activities	(3,086)	(1,822)	(725)	(453)	-	(86)
Cash Flows from Investing Activities						
Interest and investment income received	357	14	173	47	118	5
Net cash provided by investing activities	357	14	173	47	118	5
Net increase (decrease) in cash and cash equivalents	556	(819)	(470)	2,216	(382)	11
Total cash and cash equivalents, beginning of the year	11,845	2,871	5,427	285	3,137	125
Total cash and cash equivalents, end of the year	$12,401	$ 2,052	$4,957	$2,501	$ 2,755	$ 136
Reconciliation of operating income (loss) to net cash Provided (used) by operating activities						
Operating income (loss)	$ (2,137)	$(1,736)	$ (453)	$ (240)	$ 201	$ 91
Adjustments to reconcile operating income (loss) to cash flows from operation activities:						
Depreciation and amortization	1,497	471	820	206	-	-
Decrease (increase) in:						
Accounts receivable	(944)	(136)	(24)	(602)	(183)	1
Due from other funds	40	(9)	10	91	(40)	(12)
Inventories and other assets	755	766	-	(10)	(1)	-
Increase (decrease) in:						
Accounts payable	(356)	(387)	(134)	175	(22)	12
Accrued liabilities	9	(355)	-	7	357	-
Due to other funds	1,674	2,355	(103)	(5)	(573)	-
Unearned revenue	(226)	(587)	(88)	466	(17)	-
Claims liabilities	(207)	-	-	-	(207)	-
Advances from other funds	(35)	(35)	-	-	-	-
Compensated absences	53	14	-	39	-	-
Net cash provided by (used in) operating activities	$ 123	$ 361	$ 28	$ 127	$ (485)	$ 92

Internal Service Funds

INTERNAL SERVICE FUNDS

Internal service funds are one of two types of proprietary funds used to centralize and allocate the cost of certain services provided on a cost-reimbursement basis primarily to County departments as well as to other government agencies. User charges are based upon standard rates calculated on an estimated cost recovery basis.

PUBLIC WORKS SERVICES
This fund coordinates the County's property management activities and provides administrative, engineering, construction, and maintenance services to various County departments as well as other governmental units.

HEAVY EQUIPMENT
This fund maintains the County's fleet of machinery and construction equipment and rents such equipment to County departments and other governmental units.

TRANSPORTATION
This fund provides for the acquisition, maintenance, and replacement of County automobiles and light trucks, which it rents to various County departments and non-County entities.

GENERAL INSURANCE
This fund administers certain commercial and County self-insurance programs, principally worker's compensation, medical malpractice, and general insurance. It also administers the hazardous materials program which provides for waste handling, disposal and reporting.

INFORMATION SYSTEMS
This fund is responsible for the design, implementation and maintenance of the telecommunication network as well as the computer-assisted systems which support the information processing requirements of the County departments and certain non-County entities.

GENERAL SERVICES
This fund's services include graphics, mailroom, stores, purchasing, security, maintenance, custodial, and landscaping provided to all County departments and certain non-County entities. The fund also administers the utilities program and the job order contract program, which contracts with outside vendors to provide maintenance projects for County departments.

EMPLOYEE BENEFITS INSURANCE
This fund administers the County's commercial employees' group medical plan and disability income protection plan and the self-insured, wage-supplement, and unemployment insurance programs. The fund, operated by the Human Resources Department, collects premiums from County agencies, departments and employees, and makes benefit payments through outside settlement agents.

PERSONNEL SERVICES
This fund administers the training services offered to County and non-County entities. Services include assessment of the requesting entity's needs as well as the development and delivery of comprehensive programs. This fund, operated by the Human Resources Department, provides these services at cost to both County departments and outside entities.

COUNTY OF VENTURA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUND
JUNE 30, 2006
(In Thousands)

	Total	Public Works Services	Heavy Equipment	Transportation
ASSETS				
Current assets:				
Cash and investments	$ 133,472	$ 5,991	$ 2,201	$ 5,547
Receivables, net	3,867	72	17	387
Due from other funds	13,609	3,994	597	1,019
Due from other governmental agencies	59	34	-	7
Inventories and other assets	1,876	-	-	384
Restricted cash and investments	451	-	-	-
Total current assets	153,334	10,091	2,815	7,344
Noncurrent assets:				
Long-term receivables	300	-	-	300
Capital assets:				
Nondepreciable:				
Land	770	-	-	-
Construction in progress	290	63	-	-
Depreciable:				
Land improvements	64	-	-	-
Structures and improvements	4,892	563	26	318
Equipment/Vehicles	84,202	531	12,483	32,254
Less accumulated depreciation	(59,589)	(626)	(5,676)	(19,129)
Total noncurrent assets	30,929	531	6,833	13,743
Total assets	$ 184,263	$ 10,622	$ 9,648	$ 21,087
LIABILITIES				
Current liabilities:				
Accounts payable	$ 5,798	$ 156	$ 16	$ 275
Due to other funds	1,302	152	99	48
Accrued liabilities	2,881	1,134	34	77
Compensated absences, current	3,247	1,613	50	126
Claims liabilities, current	33,534	-	-	-
Certificates of participation, tax exempt commercial paper, and loans payable, current	989	-	-	-
Other long-term liabilities, current	353	-	-	343
Total current liabilities	48,104	3,055	199	869
Noncurrent liabilities:				
Unearned revenue	359	347	-	-
Compensated absences, noncurrent	2,218	1,169	51	88
Claims liabilities, noncurrent	48,587	-	-	-
Certificates of participation, tax exempt commercial paper, and loans payable, noncurrent	3,272	-	-	-
Other long-term liabilities, noncurrent	389	-	-	300
Total noncurrent liabilities	54,825	1,516	51	388
Total liabilities	102,929	4,571	250	1,257
NET ASSETS				
Invested in capital assets, net of related debt	26,819	531	6,833	13,443
Restricted	451	-	-	-
Unrestricted	54,064	5,520	2,565	6,387
Total net assets	81,334	6,051	9,398	19,830
Total liabilities and net assets	$ 184,263	$ 10,622	$ 9,648	$ 21,087

COUNTY OF VENTURA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUND
JUNE 30, 2006
(In Thousands)

General Insurance	Information Systems	General Services	Employee Benefit Insurance	Personnel Services	
					ASSETS
					Current assets:
$ 95,519	$11,792	$ 7,956	$4,163	$ 303	Cash and investments
1,911	539	639	219	83	Receivables, net
2,789	2,228	2,958	13	11	Due from other funds
-	8	10	-	-	Due from other governmental agencies
214	754	524	-	-	Inventories and other assets
-	-	451	-	-	Restricted cash and investments
100,433	15,321	12,538	4,395	397	Total current assets
					Noncurrent assets:
-	-	-	-	-	Long-term receivables
					Capital assets :
					Nondepreciable:
770	-	-	-	-	Land
-	-	-	227	-	Construction in progress
					Depreciable:
-	64	-	-	-	Land improvements
-	1,714	2,271	-	-	Structures and improvements
74	33,507	5,342	11	-	Equipment/Vehicles
(67)	(31,434)	(2,646)	(11)	-	Less accumulated depreciation
777	3,851	4,967	227	-	Total noncurrent assets
$101,210	$19,172	$17,505	$4,622	$ 397	Total assets
					LIABILITIES
					Current liabilities:
$ 181	$ 1,338	$ 3,710	$ 116	$ 6	Accounts payable
218	624	142	11	8	Due to other funds
244	521	459	405	7	Accrued liabilities
54	749	586	62	7	Compensated absences, current
33,534	-	-	-	-	Claims Liabilities, current
-	739	250	-	-	Certificates of participation, tax exempt commercial paper, and loans payable, current
-	-	10	-	-	Other long-term liabilities, current
34,231	3,971	5,157	594	28	Total current liabilities
					Noncurrent liabilities:
-	12	-	-	-	Unearned revenue
9	350	538	9	4	Compensated absences, noncurrent
48,452	-	-	135	-	Claims liabilities, noncurrent
-	47	3,225	-	-	Certificates of participation, tax exempt commercial paper, and loans payable, noncurrent
-	-	89	-	-	Other long-term liabilities, noncurrent
48,461	409	3,852	144	4	Total noncurrent liabilities
82,692	4,380	9,009	738	32	Total liabilities
					NET ASSETS
777	3,065	1,943	227	-	Invested in capital assets, net of related debt
-	-	451	-	-	Restricted
17,741	11,727	6,102	3,657	365	Unrestricted
18,518	14,792	8,496	3,884	365	Total net assets
$101,210	$19,172	$17,505	$4,622	$ 397	Total liabilities and net assets

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	Total	Public Works Services	Heavy Equipment	Transportation
Operating Revenues:				
Charges for services	$ 186,104	$ 38,764	$ 2,976	$ 10,619
Miscellaneous	488	-	-	271
Total operating revenues	186,592	38,764	2,976	10,890
Operating Expenses:				
Salaries and benefits	66,167	32,525	956	2,402
Services and supplies	69,036	5,836	1,730	5,750
Insurance premiums	5,024	86	12	61
Provision for claims	22,000	-	-	-
Depreciation and amortization	6,963	47	744	3,107
Total operating expenses	169,190	38,494	3,442	11,320
Operating income (loss)	17,402	270	(466)	(430)
Nonoperating revenues (expenses):				
State and federal grants	99	-	-	-
Loss from disposal of capital assets	(84)	-	(60)	(24)
Interest and investment income	4,015	175	81	169
Interest expense	(215)	-	-	-
Total nonoperating revenues (expenses)	3,815	175	21	145
Net income (loss) before transfers	21,217	445	(445)	(285)
Transfers in	618	10	354	169
Transfers out	(10)	(10)	-	-
Change in net assets	21,825	445	(91)	(116)
Net assets - beginning	59,509	5,606	9,489	19,946
Net assets - ending	$ 81,334	$ 6,051	$ 9,398	$ 19,830

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

General Insurance	Information Systems	General Services	Employee Benefits Insurance	Personnel Services	
					Operating Revenues:
$ 46,300	$ 30,534	$ 49,172	$ 7,145	$ 594	Charges for services
-	-	-	217	-	Miscellaneous
46,300	30,534	49,172	7,362	594	Total operating revenues
					Operating Expenses:
920	15,368	12,528	1,271	197	Salaries and benefits
3,285	13,615	35,079	3,450	291	Services and supplies
4,112	78	163	510	2	Insurance premiums
21,933	-	-	67	-	Provision for claims
3	2,611	451	-	-	Depreciation and amortization
30,253	31,672	48,221	5,298	490	Total operating expenses
16,047	(1,138)	951	2,064	104	Operating income (loss)
					Nonoperating revenues (expenses):
5	8	86	-	-	State and federal grants
-	-	-	-	-	Loss from disposal of capital assets
2,760	363	299	157	11	Interest and investment income
-	(45)	(170)	-	-	Interest expense
2,765	326	215	157	11	Total nonoperating revenues (expenses)
18,812	(812)	1,166	2,221	115	Net income (loss) before transfers
-	85	-	-	-	Transfers in
-	-	-	-	-	Transfers out
18,812	(727)	1,166	2,221	115	**Change in net assets**
(294)	15,519	7,330	1,663	250	Net assets - beginning
$ 18,518	$ 14,792	$ 8,496	$ 3,884	$ 365	Net assets - ending

COUNTY OF VENTURA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	Total	Public Works Services	Heavy Equipment	Transportation
Cash Flows from Operating Activities				
Cash receipts from customers	$ 10,920	$ 189	$ 52	$ 237
Cash receipts from other funds	171,495	39,598	2,936	11,944
Cash receipts from other sources	241	-	-	241
Cash paid to suppliers for goods and services	(51,619)	(1,716)	(104)	(4,415)
Cash paid to employees for services	(65,913)	(32,388)	(948)	(2,397)
Cash paid to other funds	(16,822)	(4,078)	(1,962)	(1,514)
Cash paid for insurance premiums	(4,100)	-	-	-
Cash paid for judgments and claims	(16,909)	-	-	-
Net cash provided by (used in) operating activities	27,293	1,605	(26)	4,096
Cash Flows from Noncapital Financing Activities				
Transfers received	449	10	354	-
Transfers paid	(10)	(10)	-	-
State and federal grant receipts	99	-	-	-
Net cash provided by noncapital financing activities	538	-	354	-
Cash Flows from Capital and Related Financing Activities				
Proceeds from capital contributions	169	-	-	169
Acquisition and construction of capital assets	(5,523)	(59)	(898)	(2,902)
Principal paid on capital debt	(957)	-	-	-
Interest paid on capital debt	(220)	-	-	-
Proceeds from sales of capital assets	644	-	165	479
Net cash used in capital and related financing activities	(5,887)	(59)	(733)	(2,254)
Cash Flows from Investing Activities				
Interest and investment income received	3,494	151	77	134
Net cash provided by investing activities	3,494	151	77	134
Net increase (decrease) in cash and cash equivalents	25,438	1,697	(328)	1,976
Total cash and cash equivalents, beginning of the year	108,034	4,294	2,529	3,571
Total cash and cash equivalents, end of the year	$ 133,472	$ 5,991	$ 2,201	$ 5,547
Reconciliation of operating income (loss) to net cash provided (used) By operating activities				
Operating income (loss)	$ 17,402	$ 270	$ (466)	$ (430)
Adjustments to reconcile operating income (loss) to cash flows from operation activities:				
Depreciation and amortization	6,963	47	744	3,107
Decrease (increase) in:				
Accounts receivable	60	32	-	(1)
Due from other funds	(2,094)	1,004	12	1,563
Due from other governmental agencies	(30)	-	-	(30)
Inventories and other assets	635	-	-	(27)
Increase (decrease) in:				
Accounts payable	364	78	14	(52)
Accrued liabilities	844	141	5	4
Due to other funds	(817)	29	(337)	(69)
Unearned revenue	(1,643)	6	-	-
Claims liabilities	5,591	-	-	-
Other liabilities	30	-	-	30
Compensated absences	(12)	(2)	2	1
Net cash provided by (used in) operating activities	$ 27,293	$ 1,605	$ (26)	$ 4,096

COUNTY OF VENTURA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

General Insurance	Information Systems	General Services	Employee Benefits Insurance	Personnel Services	
					Cash Flows from Operating Activities
$ 1,504	$ 2,032	$ 1,420	$ 5,180	$ 306	Cash receipts from customers
43,156	27,256	44,164	2,190	251	Cash receipts from other funds
-	-	-	-	-	Cash receipts from other sources
(2,593)	(10,723)	(30,816)	(1,112)	(140)	Cash paid to suppliers for goods and services
(979)	(15,308)	(12,386)	(1,315)	(192)	Cash paid to employees for services
(1,824)	(1,561)	(3,735)	(1,987)	(161)	Cash paid to other funds
(4,100)	-	-	-	-	Cash paid for insurance premiums
(16,337)	-	-	(572)	-	Cash paid for judgments and claims
18,827	1,696	(1,353)	2,384	64	Net cash provided by (used in) operating activities
					Cash Flows from Noncapital Financing Activities
-	85	-	-	-	Transfers received
-	-	-	-	-	Transfers paid
5	8	86	-	-	State and federal grant receipts
5	93	86	-	-	Net cash provided by noncapital financing activities
					Cash Flows from Capital and Related Financing Activities
-	-	-	-	-	Proceeds from capital contributions
-	(1,213)	(224)	(227)	-	Acquisition and construction of capital assets
-	(717)	(240)	-	-	Principal paid on capital debt
-	(45)	(175)	-	-	Interest paid on capital debt
-	-	-	-	-	Proceeds from sales of capital assets
-	(1,975)	(639)	(227)	-	Net cash used in capital and related financing activities
					Cash Flows from Investing Activities
2,412	335	242	134	9	Interest and investment income received
2,412	335	242	134	9	Net cash provided by investing activities
21,244	149	(1,664)	2,291	73	Net increase (decrease) in cash and cash equivalents
74,275	11,643	9,620	1,872	230	Total cash and cash equivalents, beginning of the year
$95,519	$11,792	$ 7,956	$ 4,163	$ 303	Total cash and cash equivalents, end of the year
					Reconciliation of operating income (loss) to net cash provide
					By operating activities
$16,047	$ (1,138)	$ 951	$ 2,064	$ 104	Operating income (loss)
					Adjustments to reconcile operating income (loss) to cash flows from operation activities:
3	2,611	451	-	-	Depreciation and amortization
					Decrease (increase) in:
703	(176)	(484)	13	(27)	Accounts receivable
(2,269)	(824)	(1,566)	(5)	(9)	Due from other funds
-	-	-	-	-	Due from other governmental agencies
590	18	54	-	-	Inventories and other assets
					Increase (decrease) in:
(1,005)	607	733	4	(15)	Accounts payable
205	56	78	355	-	Accrued liabilities
(857)	556	(136)	(9)	6	Due to other funds
(133)	(17)	(1,499)	-	-	Unearned revenue
5,596	-	-	(5)	-	Claims liabilities
-	-	-	-	-	Other liabilities
(53)	3	65	(33)	5	Compensated absences
$18,827	$ 1,696	$(1,353)	$ 2,384	$ 64	Net cash provided by (used in) operating activities

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Fiduciary Funds

FIDUCIARY FUNDS

Fiduciary funds are custodial in nature and are used to account for assets and liabilities held in a trustee or agency capacity for others. Therefore, these resources cannot be used to support the ongoing activities of the County.

INVESTMENT TRUST

The County Treasurer operates a single investment pool and provides fiscal services for various other governmental entities, such as special districts and school districts. This fund represents the external portion of the pool with the assets, primarily cash and investments, of these entities in the Treasurer's custody and the related liability of the County to disburse these monies on demand. The County follows procedures of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".

AGENCY

Agency funds account for assets held for distribution by the County as an agent for various other funds and local governments.

COUNTY OF VENTURA
SCHEDULE OF FIDUCIARY NET ASSETS
INVESTMENT TRUST FUND
JUNE 30, 2006
(In Thousands)

	Total	Special Districts under Local Board	School Districts	Independent Special Districts
ASSETS				
Cash and investments	$ 791,667	$ 47,304	$ 723,158	$ 21,205
Accounts Receivables	8,652	1,361	6,329	962
Due from other governmental agencies	1,978	124	1,822	32
Total assets	802,297	48,789	731,309	22,199
LIABILITIES				
Accounts payable	3,687	248	-	3,439
Due to other governmental agencies	71	37	2	32
Total liabilities	3,758	285	2	3,471
NET ASSETS				
Net assets held in trust for investment pool participants	$ 798,539	$ 48,504	$ 731,307	$ 18,728

COUNTY OF VENTURA
SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS
INVESTMENT TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	Total	Special Districts under Local Board	School Districts	Independent Special Districts
ADDITIONS				
Contributions:				
Contributions to investment pool	$ 2,346,190	$ 283,691	$ 1,960,715	$ 101,784
Total contributions	2,346,190	283,691	1,960,715	101,784
Net investment income:				
Net appreciation (depreciation) in fair value of investments	(1,401)	(33)	(1,391)	23
Interest income	28,022	1,903	25,039	1,080
Net investment income	26,621	1,870	23,648	1,103
Total additions	2,372,811	285,561	1,984,363	102,887
DEDUCTIONS				
Distribution from investment pool	2,293,695	294,925	1,876,719	122,051
Total deductions	2,293,695	294,925	1,876,719	122,051
Change in net assets	79,116	(9,364)	107,644	(19,164)
Net assets - beginning	719,423	57,868	623,663	37,892
Net assets - ending	$ 798,539	$ 48,504	$ 731,307	$ 18,728

COUNTY OF VENTURA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

	Balance June 30, 2005	Additions	Deletions	Balance June 30, 2006
ASSETS				
Cash and investments	$ 10,782	$ 193,895	$ 187,317	$ 17,360
Interest and dividends	29	47	29	47
Due from other governmental agencies	7	13	7	13
Total assets	$ 10,818	$ 193,955	$ 187,353	$ 17,420
LIABILITIES				
Other liabilities	$ 10,818	$ 193,956	$ 187,354	$ 17,420
Total liabilities	$ 10,818	$ 193,956	$ 187,354	$ 17,420

Capital Assets Used in the Operation of Governmental Funds

COUNTY OF VENTURA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
JUNE 30, 2006
(In Thousands)

Governmental funds capital assets:	
Land and improvements	$ 218,062
Structures and improvements	367,234
Equipment	79,324
Vehicles	25,129
Infrastructure	381,510
Construction in progress	86,719
Total governmental funds capital assets	$ 1,157,978
Investments in governmental funds capital assets by source:	
Federal grants and entitlements	$ 37,018
State grants	11,130
Grants from other governmental units	6,914
General fund revenues	396,613
Special revenue fund revenues	421,857
Donations	284,446
Total governmental funds capital assets	$ 1,157,978

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

COUNTY OF VENTURA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2006
(In Thousands)

Function and Activity	Total	Land and Improvements	Structures	Equipment	Vehicles	Infrastructure	Construction in Progress
General government:							
General administration	$ 141,774	$ 4,380	$ 107,655	$ 28,552	$ 82	$ -	$ 1,105
Property management	4,916	157	2,954	797	26	-	982
Plant acquisition	7,667	-	-	-	-	-	7,667
Other	6,011	1,404	-	7	-	-	4,600
Total general government	160,368	5,941	110,609	29,356	108	-	14,354
Public protection:							
Judicial	30,859	516	26,837	3,506	-	-	-
Police protection	47,431	-	16,105	28,557	109	-	2,660
Detention and correction	166,558	4,776	154,952	6,292	125	-	413
Fire protection	85,224	5,096	25,445	5,358	24,474	-	24,851
Flood control and soil & water conservation	272,193	5,717	159	554	-	241,107	24,656
Protective inspection	119	5	85	29	-	-	-
Other	20,416	136	18,263	1,448	42	-	527
Total public protection	622,800	16,246	241,846	45,744	24,750	241,107	53,107
Public ways and facilities	356,270	195,462	2,172	32	-	140,403	18,201
Health and sanitation services	6,124	179	2,226	2,391	271	-	1,057
Public assistance:							
Administration	787	-	-	787	-	-	-
Other	2,303	-	2,022	281	-	-	-
Total public assistance	3,090	-	2,022	1,068	-	-	-
Education	9,326	234	8,359	733	-	-	-
Total capital assets allocated to functions	$1,157,978	$ 218,062	$ 367,234	$ 79,324	$ 25,129	$ 381,510	$ 86,719

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

COUNTY OF VENTURA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(In Thousands)

Function and Activity	Balance June 30, 2005	Additions	Deletions	Net Transfers	Balance June 30, 2006
General government:					
General administration	$ 136,833	$ 8,355	$ 3,470	$ 56	$ 141,774
Property management	4,174	742	-	-	4,916
Plant acquisition	6,777	890	-	-	7,667
Other	3,282	2,832	103	-	6,011
Total general government	151,066	12,819	3,573	56	160,368
Public protection:					
Judicial	30,602	1,155	898	-	30,859
Police protection	46,408	1,884	861	-	47,431
Detention and correction	165,039	1,616	41	(56)	166,558
Fire protection	70,674	14,786	354	118	85,224
Flood control & soil & water conservation	258,221	20,805	6,833	-	272,193
Protective inspection	119	-	-	-	119
Other	19,706	761	51	-	20,416
Total public protection	590,769	41,007	9,038	62	622,800
Public ways and facilities	349,008	8,941	1,679	-	356,270
Health and sanitation services	6,009	270	37	(118)	6,124
Public assistance:					
Administration	719	79	11	-	787
Other	2,320	-	17	-	2,303
Total public assistance	3,039	79	28	-	3,090
Education	9,287	89	50	-	9,326
Total governmental funds capital assets	$ 1,109,178	$ 63,205	$ 14,405	$ -	$ 1,157,978

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets. The total governmental additions exceed capital outlay due to $10,079,000 in transfers from construction in progress to equipment and structures recorded as additions and deletions.

STATISTICAL SECTION

(UNAUDITED)

COUNTY AUDITOR'S OFFICE
VENTURA CO. CAL.

STATISTICAL SECTION

This part of the County of Ventura's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	169
Revenue Capacity These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax.	174
Debt Capacity These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future.	178
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.	181
Operating Information These schedules contain information about the county's operations and resources to help the reader understand how the county's financial information relates to the services the county provides and the activities it performs.	183

Sources:
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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COUNTY OF VENTURA
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(In Thousands)
(UNAUDITED)

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
Governmental activities					
Invested in capital assets, net of related debt	$ 534,767	$ 673,941	$ 809,520	$ 830,898	$ 869,229
Restricted	36,106	51,980	52,022	57,983	67,910
Unrestricted	144,909	259,048	223,553	254,499	291,682
Total governmental activities net assets	$ 715,782	$ 984,969	$ 1,085,095	$ 1,143,380	$ 1,228,821
Business-type activities					
Invested in capital assets, net of related debt	$ 125,176	$ 126,819	$ 131,559	$ 142,138	$ 158,851
Restricted	21,650	14,443	8,632	6,377	6,229
Unrestricted	33,907	45,769	49,462	53,566	39,855
Total business-type activities net assets	$ 180,733	$ 187,031	$ 189,653	$ 202,081	$ 204,935
Primary government					
Invested in capital assets, net of related debt	$ 659,943	$ 800,760	$ 941,079	$ 973,036	$ 1,028,080
Restricted	57,756	66,423	60,654	64,360	74,139
Unrestricted	178,816	304,817	273,015	308,065	331,537
Total primary government net assets	$ 896,515	$ 1,172,000	$ 1,274,748	$ 1,345,461	$ 1,433,756

Note:
Accrual basis financial information for the county government as a whole is available back to 2001-02 only, the year GASB Statement 34 was implemented.

COUNTY OF VENTURA
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(In Thousands)
(UNAUDITED)

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
Expenses					
Governmental activities:					
General government	$ 70,010	$ 65,660	$ 85,260	$ 78,217 (a)	$ 70,314
Public protection	378,410	393,841	425,976	472,094	501,188
Public ways and facilities	16,826	24,207	17,225	25,657	19,595
Health and sanitation services	90,213	102,814	94,522	101,478	109,759
Public assistance	156,419	158,893	175,989	167,978	180,310
Education	8,223	8,047	8,122	9,551	9,812
Interest on long-term debt	13,342	12,195	10,734	12,026	12,336
Total governmental activities expenses	733,443	765,657	817,828	867,001	903,314
Business-type activities:					
Medical Center	122,539	131,460	145,798	160,443	183,293
Department of Airports	3,996	4,146	5,411	5,801	6,027
Waterworks - Water	15,375	12,957	14,585	13,193	13,430
Waterworks - Sewer	-	3,587	3,424	3,889	3,788
Parks Department	2,253	2,622	2,610	4,662	5,484
Channel Islands Harbor Expansion	1,028	1,077	1,299	1,327	2,855
Channel Islands Harbor	4,665	5,518	6,833	11,629	9,265
Health Care Plan	13,609	15,078	16,890	17,680	21,178
Oak View School Preservation	-	81	67	81	112
Total business-type activities expenses	163,465	176,526	196,917	218,705	245,432
Total primary government expenses	$ 896,908	$ 942,183	$ 1,014,745	$ 1,085,706	$ 1,148,746
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 23,885	$ 8,824	$ 18,789	$ 40,236 (a)	$ 36,528
Public protection	103,056	108,505	119,318	125,971	118,506
Public ways and facilities	457	797	594	832	622
Health and sanitation services	33,231	37,003	32,425	34,184	36,780
Public assistance	1,304	2,365	1,941	2,718	1,187
Education	1,117	1,006	998	414	306
Operating grants and contributions	323,601	303,513	358,170	370,186	400,775
Capital grants and contributions	7,181	20,171	21,181	15,197	22,308
Total governmental activities program revenues	493,832	482,184	553,416	589,738	617,012
Business-type activities:					
Charges for services:					
Medical Center	112,198	122,878	140,130	152,668	148,039
Department of Airports	3,680	3,547	4,716	4,712	5,175
Waterworks - Water	15,851	13,974	14,423	15,348	15,086
Waterworks - Sewer	-	2,265	3,865	5,130	4,424
Parks Department	1,821	2,122	2,151	3,030	3,730
Channel Islands Harbor Expansion	1,471	1,617	1,663	1,744	2,030
Channel Islands Harbor	4,245	4,283	6,695	6,617	8,948
Health Care Plan	13,044	15,274	16,822	17,569	21,369
Oak View District	-	138	150	155	174
Operating grants and contributions	14	277	-	207	-
Capital grants and contributions	2,212	3,804	2,614	7,064	5,892
Total business-type activities program revenues	154,536	170,179	193,229	214,244	214,867
Total primary government program revenues	$ 648,368	$ 652,363	$ 746,645	$ 803,982	$ 831,879
Net (Expense)/Revenue					
Governmental activities	$ (239,611)	$ (283,473)	$ (264,412)	$ (277,263)	$ (286,302)
Business-type activities	(8,929)	(6,347)	(3,688)	(4,461)	(30,565)
Total primary government net expense	$ (248,540)	$ (289,820)	$ (268,100)	$ (281,724)	$ (316,867)

(a) Adjusted for comparability, no net impact.

COUNTY OF VENTURA
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(In Thousands)
(UNAUDITED)

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes:					
Property taxes	$ 183,572	$ 198,771	$ 247,197	$ 286,957	$ 326,673
Property transfer taxes	4,679	5,410	6,838	7,239	7,692
Sales and use tax	7,881	14,916	10,168	10,122	11,532
Unrestricted aid from other governmental units	43,301	34,392	4,992	13,851	19,411
Other	36,915	40,826	33,556	19,628	18,319
Unrestricted motor vehicle in-lieu of taxes	54,388	58,918	63,313	112	-
Unrestricted interest and investment earnings	11,323	6,668	4,197	12,067	17,116
Special item-sale of real property	-	9,970	-	-	1,498
Transfers	(9,149)	(12,739)	(5,723)	(14,428)	(30,498)
Total governmental activities	332,910	357,132	364,538	335,548	371,743
Business-type activities:					
Other	(639)	(1,249)	152	984	200
Unrestricted interest and investment earnings	1,965	1,155	435	1,477	2,014
Gain on sale of capital assets	-	-	-	-	707
Transfers	9,149	12,739	5,723	14,428	30,498
Total business-type activities	10,475	12,645	6,310	16,889	33,419
Total primary government	$ 343,385	$ 369,777	$ 370,848	$ 352,437	$ 405,162
Change in Net Assets					
Governmental activities	$ 93,299	$ 73,659	$ 100,126	$ 58,285	$ 85,441
Business-type activities	1,546	6,298	2,622	12,428	2,854
Total primary government	$ 94,845	$ 79,957	$ 102,748	$ 70,713	$ 88,295

Note:
Accrual basis financial information for the county government as a whole is available back to 2001-02 only, the year GASB Statement 34 was implemented.

COUNTY OF VENTURA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(In Thousands)
(UNAUDITED)

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
General Fund					
Reserved	$ 71,199	$ 35,835	$ 34,531	$ 39,008	$ 71,182
Unreserved	37,881	83,715	78,793	114,005	105,316
Total General Fund	$ 109,080	$ 119,550	$ 113,324	$ 153,013	$ 176,498
All Other Governmental Funds					
Reserved	$ 85,748	$ 33,037	$ 34,856	$ 49,101	$ 52,138
Unreserved					
Special revenue funds	90,169	151,475	185,081	149,524	120,748
Debt service funds	-	-	-	-	(1,720)
Capital project funds	5,263	6,449	(1,554)	(686)	6,693
Permanent fund	-	10	1	4	18
Total all other governmental funds	$ 181,180	$ 190,971	$ 218,384	$ 197,943	$ 177,877

COUNTY OF VENTURA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(In Thousands)
(UNAUDITED)

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
Revenues					
Taxes	$ 196,035	$ 219,097	$ 264,204	$ 304,306	$ 345,897
Licenses, permits, and franchises	11,730	15,001	16,324	17,843	19,244
Fines, forfeitures, and penalties	16,870	15,465	16,414	17,531	15,163
Revenues from use of money and property	9,781	5,736	1,851	10,733	13,176
Aid from other governmental units	430,019	426,021	429,463	408,364	434,373
Changes for services	105,827	117,352	124,109	136,752	140,570
Other	56,160	59,341	56,152	61,849	61,615
Total revenues	826,422	858,013	908,517	957,378	1,030,038
Expenditures					
General government	69,009	62,749	73,790	72,000	68,615
Public protection	372,040	390,907	427,410	470,576	510,943
Public ways and facilities	15,766	22,460	15,851	24,409	20,111
Health and sanitation services	89,943	98,817	99,538	102,004	111,347
Public assistance	156,043	165,311	173,237	169,201	182,780
Education	8,350	8,230	8,418	9,783	10,535
Capital outlay	59,948	66,337	70,644	37,519	53,126
Debt Service:					
Principal retirement	33,275	21,915	39,642	28,605	29,097
Interest and fiscal charges	11,840	12,017	9,783	12,052	12,380
Total expenditures	816,214	848,743	918,313	926,149	998,934
Excess (deficiency) of revenues over (under) expenditures	10,208	9,270	(9,796)	31,229	31,104
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	-	1,211	8,974	199	3,044
Proceeds of long-term debt	51,842	26,047	29,727	4,423	377
Payment to refunding escrow agent	(11,766)	-	-	-	-
Transfers in	66,640	36,643	64,790	40,205	29,965
Transfers out	(78,470)	(52,884)	(72,223)	(57,038)	(61,071)
Total other financing sources (uses)	28,246	11,017	31,268	(12,211)	(27,685)
Net change in fund balances	$ 38,454	$ 20,287	$ 21,472	$ 19,018	$ 3,419
Debt service as a percentage of noncapital expenditures	5.97%	4.34%	5.83%	4.58%	4.39%

COUNTY OF VENTURA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
CURRENT FISCAL YEAR
(UNAUDITED)

Fiscal Year Ended June 30,	Secured	Unsecured	Supplemental	Total Taxable Assessed Value	Total Direct Tax Rate
2006	$82,562,685,889	$3,525,957,609	$7,419,274,730	$93,507,918,228	1%

Note:
Proposition 13, passed in 1978 by California voters, limited property taxes to a maximum rate of 1% of assessed value. Assessed value is based upon the purchase price of the property. The assessed value may be increased by an inflation factor of up to 2% per year. The assessed valuation data shown above is the value used for taxation purposes. True market value is not used in the property tax calculation. The assessed values presented are the county-wide assessed values based on the equalized roll. Unitary and Home Owners Property Tax Relief are included in all values, and values are net of all exemptions.

Source:
Auditor-Controller, County of Ventura

COUNTY OF VENTURA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
CURRENT FISCAL YEAR
(UNAUDITED)

	County Direct Rates		Overlapping Rates
Fiscal Year	Basic Rate	Total Direct	Ventura County Bond Rate
2006	1.0000%	1.0000%	0.0226%

Note:
Proposition 13, passed in 1978 by California voters, limited property taxes to a maximum rate of 1% of assessed value. This 1% is distributed to all taxing agencies that provide services to the subject property. In addition to the 1% maximum rate, property owners may be charged an additonal percentage for voter approved bonds based on their tax rate area. The bond rate shown is the weighted average of all Ventura County bonds. The weighted average is based on assessed valuation of the tax rate areas where the bonds are levied.

Source:
Auditor-Controller, County of Ventura

COUNTY OF VENTURA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT FISCAL YEAR
(UNAUDITED)

	Fiscal Year 2005-06		
Taxpayer	Secured Assessed Value	Rank	Percentage of Total County Taxable Secured Assessed Value
Amgen, Inc	$ 1,094,234,620	1	1.33%
Southern California Edison Company	411,078,288	2	0.50%
Aera Energy LLC	336,916,926	3	0.41%
Proctor-Gamble Paper Products	250,233,394	4	0.30%
Verizon California, Inc	216,116,273	5	0.26%
Vintage Petroleum, Inc	202,877,410	6	0.25%
Baxter Healthcare Corporation	192,797,449	7	0.23%
Reliant Energy	168,832,933	8	0.20%
Macerich Oaks LLC	161,595,805	9	0.20%
Duesenberg Investment Company	152,425,474	10	0.18%
Total attributable to ten largest taxpayers	$ 3,187,108,572		3.86%
Total Secured Assessed Value	$ 82,562,685,889		100%

Note:
Amounts exclude special assessments and voter-approved bonds.
The assessed value is based on the equalized roll plus all escaped assessments and assessor's roll corrections processed in the 2005-06 fiscal year.

Source:
Auditor-Controller, County of Ventura

COUNTY OF VENTURA
PROPERTY TAX LEVIES AND COLLECTIONS
CURRENT FISCAL YEAR
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	$308,109,313	$ 283,047,976	91.87%	$ -	$ 283,047,976	91.87%

Note:
The collections presented are based on payments made on the taxes levied. The taxes levied are based on the equalized roll plus all escaped assessments and assessor's roll corrections processed in the 2005-06 fiscal year. The levied and collected amounts shown represent taxes distributed to County of Ventura agencies that are governed by the Board of Supervisors.

Source:
Auditor-Controller, County of Ventura

COUNTY OF VENTURA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands, Except Per Capita)
(UNAUDITED)

	Governmental Activities						
Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	Certificates of Participation	Tax Exempt Commercial Paper	Revenue Bonds	Pension Obligation Bonds	Capital Leases
1996-97	$ 5,295	$ 12,400	$ 50,591	$ -	$ 3,053	$ 149,085	$ 22
1997-98	3,855	10,600	43,382	-	2,171	142,565	-
1998-99	2,495	-	26,885	23,839	1,177	134,845	198
1999-00	1,510	-	17,628	16,305	996	125,800	112
2000-01	1,060	-	15,959	28,330	761	115,295	6,443
2001-02	575	-	55,249	21,713	538	103,180	-
2002-03	295	-	52,823	40,314	1,666	89,300	-
2003-04	-	-	77,354	21,659	999	73,470	-
2004-05	-	-	72,463	19,431	869	55,500	-
2005-06	-	-	66,418	16,182	800	35,185	-

	Business-type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Participation	Tax Exempt Commercial Paper	Revenue Bonds	State Loans	Capital Leases
1996-97	$ 1,200	$ 5,454	$ -	$ .555	$ 5,050	$ 1,265
1997-98	700	4,448	-	425	4,712	1,529
1998-99	515	10,995	11,161	290	4,403	1,056
1999-00	295	17,842	9,695	150	4,060	586
2000-01	195	16,926	7,819	-	3,726	141
2001-02	90	32,045	2,087	-	3,342	129
2002-03	45	30,587	3,485	-	4,055	117
2003-04	-	29,051	3,341	-	4,124	105
2004-05	-	26,512	3,269	-	3,674	93
2005-06	-	23,867	4,218	-	3,031	81

Fiscal Year	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
1996-97	$ 233,970	1.14%	$ 324
1997-98	214,387	1.00%	294
1998-99	217,859	0.94%	293
1999-00	194,979	0.77%	257
2000-01	196,655	0.76%	254
2001-02	218,948	0.82%	278
2002-03	222,687	0.80%	278
2003-04	210,103	0.70%	259
2004-05	181,811	0.57%	224
2005-06	149,782	0.47%	183

(a) See the "Demographic and Economic Statistics" table for population and personal income figures. Note that this ratio is calculated using population and personal income for the latest calendar year for each corresponding fiscal year, except the most recent available year is used when information for a year is not available.

Source: Auditor-Controller, County of Ventura

COUNTY OF VENTURA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)
(UNAUDITED)

Fiscal Year	Assessed Value of Property	Legal Debt Limit (a)	Amount of debt applicable to limit	Legal Debt Margin (b)	Total net debt applicable to the limit as a percentage of debt limit
1996-97	$ 46,114,434	$ 576,430	$ 6,495	$ 343,747	1.13%
1997-98	47,494,694	593,684	4,555	380,826	0.77%
1998-99	49,414,091	617,676	3,010	385,771	0.49%
1999-00	52,158,098	651,976	1,805	445,455	0.28%
2000-01	57,141,206	714,265	1,255	524,194	0.18%
2001-02	61,969,963	774,625	665	555,806	0.09%
2002-03	66,879,252	835,991	340	613,728	0.04%
2003-04	72,348,487	904,356	-	694,358	0.00%
2004-05	78,858,202	985,728	-	804,010	0.00%
2005-06	87,047,353	1,088,092	-	938,310	0.00%

(a) The legal debt limit is set by statute at 1.25 percent of total assessed valuation.

(b) The legal debt margin is the legal debt limit reduced by all long-term bonds, certificates of participation, loans, and capital leases and represents the County's legal borrowing authority for fiscal year 2006. Prior to fiscal year 2006 the calculation was not reduced by capital leases.

Source:
Auditor-Controller, County of Ventura

COUNTY OF VENTURA
DEBT/REVENUE COVERAGE
LAST FIVE FISCAL YEARS
(In Thousands)
(UNAUDITED)

COP

Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2001-02	$ 25,280	$ -	$ 25,280	$21,565	$ 2,794	1.04
2002-03	7,790	-	7,790	3,885	3,905	1.00
2003-04	8,163	-	8,163	4,115	4,048	1.00
2004-05	11,984	-	11,984	7,430	4,554	1.00
2005-06	12,928	-	12,928	8,690	4,238	1.00

* Revenue source is lease rental payments.

POB

Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2001-02	$ 22,287	$ 1,867	$ 20,420	$12,115	$ 7,083	1.06
2002-03	19,505	-	19,505	13,880	6,274	0.97
2003-04	20,777	-	20,777	15,830	5,329	0.98
2004-05	20,995	-	20,995	17,970	4,234	0.95
2005-06	21,118	-	21,118	20,315	2,986	0.91

* Revenue source is assessments on covered payroll.

TECP

Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2001-02	$ 16,388	$ -	$ 16,388	$15,800	$ 588	1.00
2002-03	7,379	-	7,379	6,995	384	1.00
2003-04	22,118	-	22,118	21,800	318	1.00
2004-05	7,741	-	7,741	7,300	441	1.00
2005-06	5,015	-	5,015	4,300	715	1.00

* Revenue source is lease rental payments and PFA II proceeds.

L/T LOANS Rollup

Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2001-02	$ 4,232	$ 2,637	$ 1,595	$ 607	$ 200	1.98
2002-03	4,296	2,540	1,756	579	170	2.34
2003-04	5,554	3,459	2,095	1,150	209	1.54
2004-05	4,918	3,479	1,439	580	200	1.84
2005-06	5,386	3,765	1,621	712	177	1.82

* Revenue source is ad valorem taxes on property, CDBG, lease rents, and charges for services.

GO Bonds - Rollup

Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2001-02	$ 687	$ -	$ 687	$ 590	$ 57	1.06
2002-03	315	-	315	325	28	0.89
2003-04	174	-	174	340	11	0.50
2004-05	-	-	-	-	0	0.00
2005-06	-	-	-	-	0	0.00

* Revenue source is ad valorem taxes on property and charges for services.

Capital Lease

Fiscal Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2001-02	$ 18	$ -	$ 18	$ 12	$ 6	1.00
2002-03	18	-	18	12	6	1.00
2003-04	17	-	17	12	5	1.00
2004-05	17	-	17	12	5	1.00
2005-06	16	-	16	12	4	1.00

* Revenue source is lease rental payments from Soule Park.

Source: Auditor-Controller, County of Ventura

COUNTY OF VENTURA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(UNAUDITED)

Year	Population (a)	Personal Income (in millions) (b)	Per Capita Personal Income (b)	Unemployment Rate (c)
1997	721,664	$ 20,521.1	$ 28,458	6.7%
1998	729,100	21,492.6	29,411	5.6%
1999	742,800	23,114.4	31,095	4.8%
2000	758,651	25,364.4	33,521	4.5%
2001	774,433	25,964.3	33,761	4.9%
2002	787,965	26,677.0	34,163	5.8%
2003	799,848	27,860.3	35,241	5.8%
2004	811,505	29,850.0 (g)	36,783 (h)	5.3%
2005	810,763 (e)	32,167.0 (g)	39,675 (h)	4.7%
2006	817,346 (e)	(d)	(d)	4.0% (f)

Sources:

(a) State of California, Department of Finance, Demographic Research Unit as of July 1st.

(b) State of California, Department of Finance, Economic Research Unit by calendar year.

(c) State of California, Employment Development Department, Labor Market Information Division by calendar year.

(d) Information was not available as of report date.

(e) State of California, Department of Finance, Demographic Research Unit, estimates as of January 1st for 2005, 2006.

(f) State of California, Employment Development Department, Labor Market Information Division, preliminary as of October 2006.

(g) University of California, Santa Barbara Economic Forecast 2006 for 2004, 2005.

(h) Estimated amounts for 2004, 2005.

COUNTY OF VENTURA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	2006(a)			1997(b)		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
United States Naval Base	14,457	1	4.56%	19,094 (c)	1	7.50%
Amgen, Inc	10,000	2	3.15%	2,981	3	1.17%
County of Ventura	7,191	3	2.27%	7,100 (c)	2	2.79%
Countrywide Financial Corp	5,700	4	1.80%	0	-	0.00%
Wellpoint Inc.	3,738	5	1.18%	0	-	0.00%
Conejo Unified School District	2,456	6	0.77%	2,160	5	0.85%
Vons	2,406	7	0.76%	0	-	0.00%
Simi Unified School District	2,370	8	0.75%	1,925	8	0.76%
Ventura Unified School District	2,340	9	0.74%	2,040	6	0.80%
Verizon Communications	2,200	10	0.69%	0	-	0.00%
	52,858		16.67%	35,300		13.87%

Note:
(a) As of February, 2006
(b) As of January, 1997
(c) As modified by the Auditor-Controller's Office
(i.e., segments reported separately in the UCSB report were totaled by employer.)

Source:
UCSB Economic Forecast Project
(Includes both full and part-time employees)

COUNTY OF VENTURA
FULL-TIME EMPLOYEES BY FUNCTION
CURRENT FISCAL YEAR
(UNAUDITED)

Function/Program	**2005-06**
Governmental activities:	
General government	1,120
Public protection	2,927
Public ways and facilities	21
Health and sanitation	879
Public assistance	979
Education	74
Total governmental activities	6,000
Business-type activities:	
Medical Center	1,098
Airports	30
Parks and Harbor	63
Total business-type activities	1,191
Total government-wide	7,191

Note:
Full-time employees work a minimum of 64 hours per biweek.

Source:
Auditor-Controller, County of Ventura

COUNTY OF VENTURA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FIVE FISCAL YEARS
(UNAUDITED)

Function/Program	Fiscal Year 2001-02	2002-03	2003-04	2004-05	2005-06
Public protection					
Sheriff					
Jail bookings	25,089	28,851	31,028	29,000	29,075
District Attorney					
Filed felonies	(a)	3,222	3,733	4,332	4,747
Filed misdemeanors	(a)	20,079	25,321	21,041	25,058
Probation					
Cases supervised - Adult	11,431	12,702	13,740	13,545	13,553
Cases supervised - Juvenile	1,447	2,161	2,195	2,331	2,556
Average daily population	193	169	210	210	186
Health					
Public Health					
Clinic client visits	35,980	27,883	32,284	33,065	31,558
Vaccines distributed	61,939	73,475	60,006	54,370	56,713
Hospital					
Patient days	49,013	52,251	52,938	51,486	53,725
Emergency room visits	33,784	32,319	34,741	35,071	34,494
Clinic visits(including satellite clinics)	290,515	292,492	290,395	299,770	335,655
Behavioral Health					
Total contacts-Mental Health	309,052	345,544	302,042	320,623	287,769
Unduplicated client count	9,196	9,411	8,895	7,597	7,658
Total contacts-Alcohol & Drug Dept	86,037	126,654	113,737	105,353	116,159
Total contacts-Drinking Driver Program	68,786	69,792	71,448	60,402	55,194
Public Assistance					
Average number of CalWORKS participants	13,447	13,250	13,094	12,985	13,158
Average number of CalWORKS cases	5,275	5,280	5,289	5,349	5,378
Average number of food stamp participants	22,592	23,071	24,073	26,528	28,012
Average number of food stamp cases	8,525	8,853	9,365	10,479	11,028
Average child welfare services caseload	989	923	894	922	821

(a) Information not available for this fiscal year due to computer conversion.

Sources:
County of Ventura, various departments

COUNTY OF VENTURA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST FIVE FISCAL YEARS
(UNAUDITED)

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
Governmental Activities:					
General Government					
Building-Hall of Administration	Occupied by general government and support services.				
Public Protection					
Jail and Detention Facilities:					
Probation					
Adult facilities-work furlough	1	1	1	1	1
Adult beds-work furlough	190	190	190	190	190
Juvenile facilities	3	3	1	1	1
Juvenile beds	169	169	420	420	420
Sheriff					
Adult facilities	4	4	3	3	3
Adult beds	1,473	1,473	1,606	1,606	1,606
Sheriff Helicopters	5	6	5	3	3
Fire Trucks	64	67	67	67	67
Fire Stations	31	31	31	31	31
Building-Hall of Justice	Occupied by public safety departments and courts.				
Miles of flood control channels					
Public Ways and Facilities					
Centerline miles of county roads	542.34	541.80	541.52	544.81	544.85
Traffic Signals	(a)	(a)	30	30	30
Bridges	162	162	163	163	163
Education					
Libraries	7	7	7	8	8

(a) Information not available.

Note:
Buildings includes those that are capitalized but excludes real property that is leased.

Sources:
County of Ventura, various departments

(Continued)

COUNTY OF VENTURA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST FIVE FISCAL YEARS
(UNAUDITED)
(Continued)

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
Business-type activities:					
Medical Center					
Hospitals	1	1	1	1	1
Licensed beds	196	196	196	196	196
Department of Airports					
Number of airports	2	2	2	2	2
Number of acres	866	866	866	866	866
Number of runways	2	2	2	2	2
Number of hangers	191	191	191	201	201
Waterworks Districts-Water					
Feet of pipeline	(a)	218	218	218	232
Number of reservoirs	(a)	31	31	31	32
Waterworks Districts-Sewer					
Feet of pipeline	(a)	125	125	125	142
Treatment capacity (millions of gallons per day)	(a)	3.4	3.4	3.4	3.4
Number of treatment plants	(a)	3	3	3	3
Parks and Recreation					
Number of county parks	26	26	26	26	26
Park acreage	5,704	5,854	5,854	5,854	5,704
County golf courses	3	3	3	3	3
Miles of park trails	21.8	21.8	21.8	21.8	21.8
Number of harbors	1	1	1	1	1
Number of acres	310	316	316	310	310
Number of boat slips	199	199	233	233	250
Fuel dock	1	1	1	1	1
Sportfishing dock	-	-	1	1	1

(a) Information not available.

Note:
Buildings includes those that are capitalized but excludes real property that is leased.

Sources:
County of Ventura, various departments